

South West RDA's Response to the South West Regional Assembly's Report of the Regional Strategic Review on Sustainable Energy in the South West

The South West Regional Assembly's (SWRA) recommendations are repeated in black text, with the South West RDA's response to each recommendation set out in blue italic text, subsequent to each numbered scrutiny recommendation.

1.1 Overarching Issues

1. That the SWRDA, the SWRA and the SWLGA work with other regional organisations and with local authorities to advocate greater urgency and priority in addressing sustainable energy issues.

Agreed.

The South West RDA recognises that the South West is vulnerable to security of supply but also that the region is uniquely placed to take advantage of its excellent renewable energy resources. The promotion of sustainable energy requires leadership, not only economic but also political leadership, and we look forward to working with the SWRA and other regional partners to drive this agenda forward.

2. That regional partners develop a Regional Sustainable Energy Strategy, and the SWRDA and the SWRA work with partners to decide how to resource it. It is also recommended that the SWRDA and SWRA work with partners to establish a South West sustainable energy partnership to oversee delivery of the strategy.

Agreed.

The South West RDA has already initiated and held a high level meeting of regional partners, Regen SW and the Centre for Sustainable Energy in Bristol to determine the need, role and structure of a South West Sustainable Energy Partnership. It was intended that this partnership will initially review the findings and actions identified in the Low Carbon Housing and Fuel Poverty Strategy and Action Plan, oversee the strategy and monitor the agreed actions. It was also intended that it would consider the findings of the business resource efficiency study and the need for further work into energy efficiency in the public sector to derive a Sustainable Energy Strategy for the region.

The establishment of a South West Sustainable Energy Partnership now needs to be discussed further with the SWRA and its new Energy Sub Group.

3. That the SWRDA, with the South West Regional Skills Partnership and other partners, identify priorities, take action and monitor this action to address skills issues related to the delivery of the sustainable energy agenda.

Agreed.

The South West RDA and partners recognise the need to address skills issues related to the delivery of sustainable energy. To this end, we organised a full day meeting on the 6 February 2007 bringing together the LSC, Summit Skills, Energy and Utility Skills, and Construction Skills to discuss the region's sustainable and renewable energy skills issues and, consider current activity and identify actions needed.

The South West RDA has also agreed to act as the lead organisation for "Enhancing the region's ability to identify and fill gaps in training provision", as identified in the Low Carbon Housing and Fuel Poverty Strategy and Action Plan. Also, over the coming months, we will be considering the recommendations arising from the evaluation of our Enviroskills SW project and the Ecotec study into skills supply and demand in resource efficiency. This will inform our future work on energy sector skills.

4. That the SWRDA works with the SWRA and other partners through the RES 'South West debates' to provide a definition of what a low carbon economy means for the South West and sets out clear milestones for achieving it.

Agreed.

The debate on energy in the South West is already well underway, following the Government's Energy Review, and the SWRA's strategic review on sustainable energy and its Energy Debate in October 2006. All of these important inputs will help inform the South West RES Energy Debate, together with the outcomes of numerous relevant pieces of research that have been undertaken nationally and within the region. This includes the current research on carbon neutrality that we are co-funding with the SWRA, and the work that we are undertaking to establish how the new European Programmes can be low carbon (we are doing this in our capacity as the programme managers).

The South West RES Energy Debate can now be accessed at www.swdebates.info, and it is proposed to hold a consultation event in April with selected partners, after the Government publishes its Energy White Paper. The SW RES debate on Energy Challenges and that on Securing Economic Growth within Environmental Limits will both help to inform future energy priorities for the next RES review in 2008.

5. That the SWRDA works with the SWRA and other partners on its relationship with the media on energy issues in the South West.

Agreed.

The South West RDA fully supports this recommendation, believing it to be a critical issue due to the importance the media plays in informing ideas and debate within the region. The South West RDA therefore welcomes the opportunity to work closely and in co-operation with the SWRA and other partners to promote a common message on sustainable energy within the region. The South West RDA will also promote its own activity in relation to sustainable energy, in particular renewable energy, and we have engaged the services of a media agency to facilitate this.

1.2 The South West RDA's Approach

6. That the South West RDA mainstreams sustainable energy issues across all areas of its work, and leads by example by making sustainable energy an integral component of its development sites and projects, as part of this, the South West RDA should clearly set out the links between energy and all areas of its work, including waste, skills and employment and reflect these in their approach to the energy agenda;

Agreed.

The South West RDA is committed to ensuring sustainable construction principles are adopted for all of its direct developments and is incorporating a more robust sustainability appraisal into its decision making.

To provide leadership in sustainable construction, including sustainable energy, the South West RDA has a number of demonstrator sites incorporating high levels of energy efficiency and renewable energy technologies. We are collecting data on the capital cost, operating cost and maintenance requirements of these technologies to better inform the construction sector. Having identified the need to strengthen the draft Code for Sustainable Homes in our joint advice to Government on the Comprehensive Spending Review 2007, we particularly welcome the Government's recent commitment to achieve zero carbon new housing by 2016. We will be responding positively to DCLG's consultation, published in December, on measures to achieve this ambitious target.

The South West RDA is also pleased to say that it has recently attained ISO 14001, the International Standard for Environmental Management Systems. We have incorporated environmental management, including risk assessment and the drive for continuous improvement, into all of our direct development projects and in the management of our office facilities, sites and premises. BSI's report stated "The discussion with top management and with staff at cascading levels in the organisation was always very positive and pro-active and which highlighted the virtue of a very well utilised Environmental Management System, which is well communicated and actioned from the top down and the bottom up. There is a rolling programme of essential and futuristic initiatives which place the SWRDA at the forefront of ongoing commitment to the environment". In addition, we are incorporating a more robust sustainability appraisal into our project appraisal process, thereby ensuring sustainable energy is an integral part of our decision making.

7. That the South West RDA ensures greater transparency in relation to its decision-making process on energy issues. As part of this, the SWRDA should set out within the next six months how and when it will consult with regional partners, and involve communities in decision-making, including on demonstrator programmes and other energy related initiatives.

The South West RDA already consults with its regional partners on investments in sustainable energy programmes where appropriate. Examples include the South West bioheat programme and our Business Resource Efficiency and Waste (BREW) activity. We also consult extensively with communities on major renewable energy projects e.g. Wave Hub at Hayle in Cornwall, the proposed combined heat and power plant at Morlands Enterprise Park in Glastonbury, and the recently commissioned UK tidal energy study. Given what we consider for our sound record on consultation we do not consider it necessary to provide a programme and methodology within the

next six months for the consultation we intend to undertake on future decisions we will be taking on energy issues.

1.3 **Security of Supply**

8. That the SWRDA and the SWRA identify and promote the South West's distinctive issues in relation to energy and the need for a tailored approach to meet its needs.

Agreed.

As outlined in the response to Recommendation 1, the South West RDA recognises that the South West is vulnerable to security of supply but also that the region is uniquely placed to take advantage of its excellent renewable energy resources. The South West RDA is actively promoting and developing the renewable energy sector within the South West to enable the region to better utilise its natural energy resources. This, and our promotion of business resource efficiency, will contribute significantly to the region's security of supply.

The South West RES debates on Energy Challenges and Securing Economic Growth Within Environmental Limits will also help to further identify and promote the regions distinctive energy issues, and inform future energy priorities for the next RES review in 2008.

As stated earlier, the promotion of sustainable energy requires leadership and we therefore look forward to working with the SWRA to drive this agenda forward.

9. That the SWRDA uses the RES 'South West debate' on energy and the economy to consider and determine an appropriate level of energy self-sufficiency for the region.

Agreed.

As outlined in the response to Recommendation 4, the SW RES debates on Energy Challenges and Securing Economic Growth within Environmental Limits will help to inform future energy priorities for the next RES review in 2008. We envisage at this early stage in the energy debate that stakeholders will identify energy self sufficiency as a critical economic issue that should be debated.

10. That the Scrutiny Panel recommends that the SWRA, the SWRDA, the National Assembly for Wales, DTI and other partners consider the outcomes of the Sustainable Development Commission study into tidal energy (including energy options in the Severn Estuary) in Spring 2007 and engage in an informed debate to develop a common position on utilising the resource.

Agreed.

The South West RDA, DTI, Devolved Administrations and other interested parties have developed a scope of work for the study commissioned by the Sustainable Development Commission to explore the issues arising on the tidal resource in the UK, including the Severn Estuary. The South West RDA is co-funding this work, which is due to report in June 2007. We will work with the SWRA and other regional partners to develop, if possible, a common position on this important renewable energy resource. More information on this study can be found at <http://www.sd-commission.org.uk/pages/tidal.html>

1.4 **Renewable Energy**

11. That the SWRDA, the SWRA, and the SWLGA work in partnership with regional and local organisations to drive the endorsement and delivery of regional renewable energy targets in the draft Regional Spatial Strategy and encourage district authorities to develop district level targets for renewables.

The South West RDA, through its ongoing support for the renewable energy sector and through the incorporation of renewable energy technologies on its own developments, will promote the renewable energy targets in the RSS. However, before endorsing the renewable energy targets we need to increase our understanding of how they will relate to the draft RSS policy on carbon neutral developments. We await the outcome of the study into carbon neutral developments which we are co-funding with the SWRA and GOSW. This will inform our evidence at the Regional Spatial Strategy Examination in Public in Spring 07.

We do not believe it is the South West RDA's role to encourage local authorities to develop district level targets for renewables.

12. That all local authorities promote renewables and adopt a positive approach to renewable energy planning applications – particularly applications for wind turbines – to enable the region to meet its 2010 targets.

The South West RDA welcomes this recommendation from the SWRA.

13. That the SWRA and partners review the evidence for an increase in the draft Regional Spatial Strategy target to integrate renewables (including micro-generation) in buildings, as part of the work on the evidence base for the carbon neutral development policy.

Agreed.

As outlined above, the study which we are co-funding with the SWRA and GOSW into carbon neutral developments will provide some evidence to support the current policy on integrated renewables, and the potential for the current targets to be increased in the RSS.

14. That RegenSW, the SWLGA and the SWRA work together to improve engagement and understanding of elected Members around the renewable energy agenda:
- i. *RegenSW to facilitate an experts panel to increase the capacity and quality of support to local authority planners and councillors;*
 - ii. *The SWLGA continues to encourage all local planning authorities to sign up to the wind protocol, as a commitment to, and to improve, public consultation.*

We have consulted Regen SW on this recommendation and can, on their behalf, agree to this recommendation. To improve member engagement and understanding, Regen SW will run a one off conference for local authority members and officers with SWLGA in Bristol on 8 March. Regen SW will also run a support network for South West councilors who want more information on renewable energy. However, due to the cessation of the DTI grant for renewable energy planning work, Regen SW will not provide officer support via a consultants panel but will do so instead through in house support from Regen SW's Planning & Policy Manager.

1.5 **Business Energy Efficiency**

15. That the SWRDA, the SWRA and other regional partners encourage Defra and DTI to rationalise the number of national agencies in order to deliver more clearly focused business resource efficiency support.

Agreed.

The South West RDA recognises that resource efficiency, including energy efficiency, is an increasingly important component of business competitiveness. Also, that the effectiveness of current programmes to support this is compromised by a lack of coordination between activities and uncertainties about longer term funding. The South West RDA specifically welcomed the support of the SWRA, set out in our joint response to the Comprehensive Spending Review 2007, to the following important proposals to Government:

- Streamlines resource efficiency and waste advice, and instead delivers it regionally through the Business Link gateway.*
- Provides funding certainty for resource efficiency and waste programmes over a longer time scale.*

This is entirely consistent with the Government's business support simplification agenda, on which the South West RDA is leading in the region, working closely with Government. We will continue to work with the SWRA and other regional partners and the BREW delivery bodies to co-ordinate and simplify regional activity.

16. That the SWRDA urgently deliver on its coordination role of BREW partners, and address the issue of inconsistency in the level of business support through the region.

Agreed.

The South West RDA chairs a quarterly meeting with the National BREW Delivery Bodies, regional partners and business representatives to co-ordinate the delivery of business resource efficiency advice and support within the region. This group has been meeting since September 2005 but it has taken some time for it to become an effective partnership.

Following a South West RDA funded study into the provision of business resource efficiency advice and support within the region, the South West RDA with regional partners and the BREW delivery bodies, has now developed an action plan to improve regional delivery. All partners are now working together to develop a web based tool and common marketing information to direct business to appropriate regional advice and support.

The South West RDA funded study also identified inconsistent provision of advice and support across the region. Although this is to some extent addressed by the services provided by Business Link and the national BREW delivery bodies, the South West RDA is currently considering, with its regional partners, how to deliver additional business mentoring services across the region. It is hoped that the European Convergence and Competitiveness Programmes will be able to support this increased provision, given both draft Operational Programmes place considerable emphasis on resource efficiency.

17. That the SWRDA ensure that a “one-stop-shop” approach is adopted through Business Link who in turn are supported by, and can refer business to, appropriate specialist and technical advisors. Regional support should avoid duplicating services already offered through national agencies – for example, Carbon Trust and Envirowise – but should provide added value services;

Agreed.

The transfer of responsibility for funding and coordinating Business Link in the South West, together with Government’s business support simplification agenda, has presented us with the opportunity to improve the level of advice and business penetration across the region. In particular, this transfer is enabling us to incorporate into the Business Link contract a requirement to use a web based diagnostic tool to signpost businesses to appropriate resource efficiency advice and support, and to incorporate this tool and resource efficiency advice onto its website. We will also ensure that appropriate training for the general Business Link advisers in resource efficiency is provided, particularly in helping them to understand the services provided by the National BREW Delivery Bodies.

18. That the SWRDA, the SWRA and partners lobby Defra to ensure that working with the RDAs and regional partners is a requirement of the national agencies’ terms of reference.

Agreed.

The South West RDA regularly raises this issue with Defra through its quarterly progress reports, and through the Joint RDA Resource Efficiency Leads meetings. The South West RDA will continue to press this issue with Defra and welcomes the support of the SWRA.

1.6 Domestic Energy Efficiency and Fuel Poverty

19. That the SWRDA clearly set out their role and contribution to the domestic energy efficiency and fuel poverty agenda, recognising the valuable employment opportunities created by the adaptation of homes, both to save and produce energy.

Although it is the role of Local Authorities to lead on fuel poverty and domestic low carbon housing in the region, the South West RDA does contribute to this agenda through our policy creation and influence role, and as one of the regional leaders. Our role and contribution can be summarised as follows:

- Through the creation of policy that recognises the importance of a low carbon economy – the RES makes a commitment to develop a low carbon economy and the South West domestic sector is the largest contributor of carbon to the region’s economy. The RES is however the region’s economic strategy therefore all partners are responsible for delivering this commitment.*
- Using our influence to promote good practice amongst the major house builders in the region through our support for Future Foundations, our statutory consultee role and by incorporating sustainable construction criteria into our funding conditions.*

- *The development of exemplar projects, within our own direct development projects, to demonstrate the cost benefit and maintenance requirements of renewable energy and energy efficiency technologies.*
- *Through our work on the skills agenda to assist in the identification and resolution of skills gaps for renewable energy and energy efficiency installation and maintenance.*
- *Through our support for the renewable energy sector, developing capability and capacity in the region to help regional businesses deliver the increased demand in renewable energy technologies. The same sector support may also be required for energy efficiency but this need has not yet been properly assessed.*
- *Through our input into national policy, such as the Sustainable Communities Plan and the Government's recent consultation on achieving zero carbon new housing by 2016.*

The South West RDA's contribution to fuel poverty is:

- *By improving the economic prosperity of the region, and thereby improving one of the variables that contribute to fuel poverty.*
 - *By helping to regenerate the region's most deprived wards and enable those residents to have access to employment opportunities, thereby improving one of the variables that contributes to fuel poverty.*
 - *By ensuring high standards of sustainable construction, particularly energy efficiency, are incorporated into those developments we are involved with.*
20. That the SWRDA, the SWRA and other regional partners, along with Energy Efficiency Advice Centres, lobby the Energy Saving Trust to ensure the region gets its fair share of funding to deliver on the domestic energy efficiency agenda and that a structure is put in place which is compatible with the wider work in the region on sustainable energy;

Agreed.

The South West RDA is working with regional partners to determine the preferred delivery mechanism for EST's domestic energy efficiency services within the region. As outlined in our response to Recommendation 2, we are progressing the potential for a South West Sustainable Energy Partnership which would aim to ensure that EST's plans for their Sustainable Energy Network integrate well with emerging regional delivery structures.

21. That the SWRA, and other regional organisations, work with Defra and DTI to ensure that regional and local partners are resourced to address fuel poverty. Regional organisations need to subsequently develop effective partnerships which can address current fuel poverty and future proof against fuel poverty, and ensure that these involve local communities and voluntary organisations;

Domestic energy efficiency and fuel poverty is not a priority issue for the South West RDA and is the responsibility of other regional partners. However, we are assessing the potential to work with the DTI's Design and Demonstration unit to set up a pilot

Community Energy Solutions project within the region. If such an investment is agreed, we will of course advise the SWRA.

22. That the SWRA, in partnership with the SWRDA, Future Foundations and other regional organisations, encourage the endorsement, adoption and subsequent delivery, of the challenging "carbon neutral" targets in the draft Regional Spatial Strategy

Agreed

As identified in many of our previous responses, the South West RDA is committed to helping reduce the region's carbon footprint and is actively promoting sustainable construction practices on our own developments and those that we fund. However, we do need to understand the economic impact of carbon neutral targets and the deliverability of such targets across the region for a range of different development types.

To increase our understanding of what carbon neutral actually means, if it is deliverable, and at what cost to the region, we are co-funding, with the SWRA and GOSW, a study into carbon neutral developments. It is envisaged that this study will also highlight the wider economic impacts of such a policy, and its findings will inform our position on the RSS policy at the EiP in Spring 07. In addition, and in our capacity as managers of the new European Convergence, Competitiveness and Rural Programmes, we are undertaking work to establish how these programmes could be low carbon. We will also draw on this for our evidence at the RSS EiP.

23. That the SWRA, the SW LGA and the SWHB work together as an urgent objective to raise the profile of, and priority placed on, low carbon housing and fuel poverty with particular focus on raising the standards of the current Regional Housing Strategy.

As a member of the South West Housing Body, we will seek an early review of the Regional Housing Strategy and, in particular, the commitment within it for '50% of new development to meet the requirements of the Code for Sustainable Buildings by 2016'. This early review is needed in light of the Government's recent commitment to achieve zero carbon new housing by 2016, and the draft RSS policy on carbon neutral development.

1.7 Other Energy Related Matters

24. That the SWRDA and the SWRA consider what actions they can take to secure a reduction in carbon emissions from transport in the region, recognising the complex inter-relationship between energy and transport issues;

Agreed.

The South West RDA recognises the importance of transport as a major contributor of carbon emissions in the region, and the complexity of addressing this issue in a predominantly rural area with limited transport links. We welcome the opportunity to work with the SWRA on this issue.

The South West RDA is involved in a number of initiatives to address transport related carbon emissions, including a study to assess the suitability of biofuels for the marine fishing fleet and work to identify measures to achieve sustainable mobility.

We also have an award winning Green Travel Plan, which has significantly reduced the carbon emissions associated with our own business mileage.

25. That Regional partners complete an assessment of the opportunities from the growing biofuels market.

Agreed.

The South West RDA is discussing the level of activity, barriers and potential opportunities associated with the biofuels market with the SW Biofuels Forum, and welcomes the engagement of regional partners in this assessment.