

***THE REPORT OF THE
REGIONAL STRATEGIC REVIEW***

ON

***SUSTAINABLE ENERGY
IN THE SOUTH WEST***



SOUTH WEST
Regional Assembly

***SWRA SCRUTINY PANEL
2006***

The South West Regional Assembly Scrutiny Panel

The Scrutiny Panel is appointed by the South West Regional Assembly (SWRA) to undertake Regional Strategic Reviews with the South West of England Regional Development Agency (SWRDA).

Current Membership

Ian Munro (Chair)	SW Association of Colleges (SEEP*)
Cllr Irene Bailey	Penwith District Council (Independent)
Cllr Mike Bawden	Swindon Borough Council (Conservative)
Cllr Brian Clements	Borough of Poole (Liberal Democrat)
Cllr Andrew Govier	Somerset County Council (Labour)
Cllr Alan Hockridge	North Somerset Council (Liberal Democrat)
Chris Irwin	SW Public Transport Users Forum (SEEP*)
Cllr Peter Metcalfe	Bath & North East Somerset Council (Liberal Democrat)
Cllr Saxon Spence	Devon County Council (Labour)
Howard Thomas	SW Regional Environment Network (SEEP*)
Cllr Richard Yonge	South Hams District Council (Conservative)
Mark Walton	South West Forum (SEEP*)

*Social, Economic and Environmental Partner

SWRDA Representatives taking part in this Regional Strategic Review were:

Juliet Williams	Chairman
Colin Skellett	Board Member
Colin Molton	Executive Director of Operations and Deputy CEO
Claire Gibson	Director of Planning, Transport and Environment
Matthew Spencer	Chief Executive, RegenSW
Jonet Waldock	Head of Environment
Dominic Vincent	Energy Manager
Paul Hardman	Energy Advisor

The South West

The South West of England comprises the counties of Cornwall, Devon, Somerset, Dorset, Wiltshire and Gloucestershire, the Isles of Scilly, and the unitary authorities of Plymouth, Torbay, Poole, Bournemouth, Swindon, South Gloucestershire, Bristol, North Somerset and Bath and North East Somerset.

Publications

All the reports of the Scrutiny Panel, along with supporting information, are available at: http://www.southwest-ra.gov.uk/nqcontent.cfm?a_id=989

SWRA Secretariat Support

The Scrutiny Panel was supported by Hannah Hickman (Deputy Director), Craig Frost (Policy Manager), Louise Winn (Policy Advisor) and Hannah Still (Executive Support Officer). The Panel also received guidance from Tony Norton and Dr Peter Connor (Exeter University) and from Government Office for the South West (GOSW).

Contact

All correspondence should be addressed to the Head of Scrutiny, South West Regional Assembly, Dennett House, 11 Middle Street, Taunton TA1 1SH. The telephone number for general enquiries is 01823 270101; the email address: swra@southwest-ra.gov.uk.

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Abbreviations Used in this Report

EEAC	Energy Efficiency Advice Centres
EST	Energy Saving Trust
GOSW	Government Office for the South West
IRS	Integrated Regional Strategy (known as Just Connect!)
LCHFPS	Low Carbon Housing and Fuel Poverty Strategy
RES	Regional Economic Strategy for the South West of England
SWHB	South West Housing Body
RRES	Regional Renewable Energy Strategy
RSS	Regional Spatial Strategy
SEN	Sustainable Energy Network
SWLGA	South West Local Government Association
SWRDA	South West of England Regional Development Agency
SWRA	South West Regional Assembly

1.0 Summary and Recommendations

This report makes 25 recommendations, which have been developed on the basis of evidence collected by the Scrutiny Panel. This section of the report summarises the main findings and evidence considered by the Scrutiny Panel against the relevant recommendations. The Scrutiny Panel have grouped their recommendations under seven headings:

1.1 Overarching Issues

The review identified the need to take urgent action on energy issues in the face of the challenges of climate change and energy security. The relative lack of resources and overarching strategic direction at regional level was juxtaposed with uncertainty over the relative roles of the organisations involved in energy issues. The review identified the need to use resources prudently through a regional sustainable energy partnership which would accelerate delivery on the sustainable energy agenda, focus on issues of skills provision, draw on a clear definition of a low carbon economy and promote consistent messages through the media.

The Scrutiny Panel recommends:

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

1.2 The SWRDA's Approach

The SWRDA contributes to the sustainable energy agenda through its strategy work, its developments, sector investments and the support of projects and partnerships. Given the significance of energy matters to the economy, this part of the review focused specifically on the SWRDA's approach; on issues related to the consistency of standards in SWRDA projects and the extent to which it works with and consults partners and stakeholders.

The Scrutiny Panel recommends that the SWRDA:

6. 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 SWRDA 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;
7. 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.

1.3 Security of Supply

Security of energy supply is defined as the ability to obtain energy when it is required and without interruption. Most decisions concerning security of energy supply are made at the national or international level. However, the region does have a significant role to play in achieving results to best serve its distinctive needs. Particular challenges facing the South West include its reliance on imported energy, its position at the end of the grid network and the lack of gas grid network in large parts of the region. Conversely there was compelling evidence on the huge opportunity in the region, particularly in terms of increasing its capacity for a diverse range of renewable energy solutions which would also offer resilience against loss of supply.

The Scrutiny Panel recommends:

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;
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;
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.

1.4 Renewable Energy

The renewable energy sector makes an increasing contribution to the economic profile of the South West. The Panel explored issues surrounding renewable energy particularly in relation to planning, education and targets. The role of RegenSW as a key catalyst, and in pioneering work on planning, education and skills, was acknowledged.

The Scrutiny Panel recommends:

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;
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;
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;
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.*

1.5 Business Energy Efficiency

Commerce and industry are calculated to consume over half the regions energy consumption and contribute more Carbon Dioxide to the atmosphere than either transport or domestic energy. Attention was concentrated specifically on business energy efficiency and the range of organisations offering advice. The SWRDA's coordinating role for resource efficiency at the regional level was also considered as part of the review.

The Scrutiny Panel recommends:

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;
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;
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;

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.

1.6 Domestic Energy Efficiency and Fuel Poverty

The consumption of energy by domestic properties in the South West was considered alongside issues of efficiency, the relatively large proportion of hard to heat homes in the South West and the significant levels of fuel poverty. Action at regional level was considered in relation to strategy and implementation work underway through the leadership of Government Office South West and with national and regionally represented agencies.

The Scrutiny Panel recommends:

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;
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;
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;
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;
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.

1.7 Other Energy Related Matters

Given the breadth of the topic, it was not possible to cover all potential aspects of the sustainable energy agenda in the region. However, there are several issues outside of the terms of reference that have been raised by stakeholders during the course of the review, in particular, the need to reduce transport-related emissions. As part of this, stakeholders were keen to see an increase in the contribution of biofuels to the energy agenda. The Scrutiny Panel was therefore keen to flag both of these areas for further work and consideration by the region.

The Scrutiny Panel recommends:

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

2.0 Regional Strategic Reviews: Background and Purpose

- 2.1 As a designated regional chamber, the South West Regional Assembly (SWRA) has a role to scrutinise and assess the work and plans of the South West Regional Development Agency (SWRDA), to ensure the needs of the region are met effectively.
- 2.2 Through the scrutiny role, the Assembly aims to represent the views of the South West on the region's needs and assess the response to these needs by the SWRDA and other agencies. Scrutiny also offers an opportunity to strengthen regional partnerships and increase consistency amongst regional strategies and local and sub regional plans.
- 2.3 The SWRA carries out the scrutiny role through a series of Regional Strategic Reviews – led by the Scrutiny Panel (a list of Members is included on the inside cover).
- 2.4 Each Regional Strategic Review focuses on the implementation of the South West's Regional Economic Strategy (RES) and seeks to:
 - examine how effectively the RES is meeting the region's economic needs
 - assess the consistency between the RES and other regional strategies
 - assess the contribution of all agencies in making a reality of the region's strategic objectives; and, through bilateral discussions with SWRDA
 - assess SWRDA's contribution in ensuring the success of the RES - both as a strategic catalyst and as delivery agent.

3.0 Introduction to Sustainable Energy Regional Strategic Review

- 3.1 This report by the South West Regional Assembly's (SWRA) Scrutiny Panel considers the findings of a Regional Strategic Review on Sustainable Energy, undertaken with the South West of England Regional Development Agency (SWRDA) - including Regen South West (RegenSW), the region's renewable energy agency. The Regional Strategic Review assessed key Sustainable Energy issues in the region as well as the work of various agencies in addressing them.
- 3.2 The recommendations in this report are informed by the Regional Strategic Review, which incorporated a process of consultation and enquiry between September 2005 and May 2006. This included two regional workshops which were important stages in this strategic review, both of which brought together a range of stakeholders from across the South West.
- 3.3 The Regional Strategic Review was also informed by:
- discussions with a range of organisations about specific areas of sustainable energy (DTI, RegenSW, Centre for Sustainable Energy, Wind Prospect Group, Bath University, Severn Wye Energy Agency, National Energy Action, Carbon Trust and Envision);
 - the results of a questionnaire survey, which was sent to Assembly member organisations and other stakeholders;
 - site visits to renewable energy projects in the North Devon area, followed by a roundtable discussion on delivering renewable energy projects on the ground;
 - an assessment by Sustainability South West of the key sustainability issues relating to this agenda;
 - academic advice and guidance from Tony Norton and Dr Peter Connor, Exeter University.
- 3.4 A full list of information sources and contributions can be found in Appendix A.
- 3.5 In addition to this, we are grateful to GOSW for their suggestions and assistance. Bilateral discussion between the SWRDA representatives and the Scrutiny Panel were held in public on the 17th May and formed the concluding phase of the Strategic Review.
- 3.6 The Scrutiny Panel believes that there has been considerable progress in terms of this area of activity in the South West. In the context of the priority the region needs to give to this policy area in the immediate future, this report aims to encourage the sharing of best practice, ensure clarity about

organisational roles and responsibilities for this agenda, highlight some of the challenges that remain for partners in the South West and identify areas where resources can be targeted more effectively.

- 3.7 Terms of Reference for the Regional Strategic Review were developed through collaboration between SWRA and the SWRDA. The full terms of reference are included as Appendix B.**

4.0 Sustainable Energy in the South West

4.1 'Sustainable Energy' is a broad term which is about both using energy wisely (demand) and about using energy produced by clean technologies or from renewable sources (supply). The energy hierarchy is often used to set out the priority for energy-related issues:

- Reduce energy demand/use
- Supply energy from renewable sources
- Low carbon/no-carbon technologies

4.2 The bilateral discussions drew upon this energy hierarchy in relation to the priorities for the South West:

"If you look at the hierarchy of what we should be doing, we should be focusing on reducing energy use, reducing demand, improving energy efficiency, and then being serious about renewables rather than just playing at them".

Colin Skellett, Board Member, SWRDA

4.3 Given the breadth of the topic, it was not possible to cover all potential aspects of the sustainable energy agenda in the region, so this review has focused on four components of the agenda – security of supply, renewable energy, business energy efficiency, and domestic energy efficiency and fuel poverty – and has considered how regional and local activities can have an impact on the delivery of sustainable energy. Information gathered as part of the evidence base is available on the South West Regional Assembly's website:

http://www.southwest-ra.gov.uk/nqcontent.cfm?a_id=997&tt=swra

4.4 This review, and emerging recommendations, should be considered within a wider national context. The 2003 Energy White Paper, "Our Energy Future – creating a Low carbon Economy", set four goals:

- i) A 60% reduction in carbon dioxide (CO₂) emissions by 2050;
- ii) The provision of adequate and affordable warmth for all;
- iii) Security of energy supply;
- iv) The development of a competitive energy industry.

4.5 Although the Government remains committed to achieving these goals, the current Energy Review highlights the need to respond with greater urgency given the challenges we now face. Although these challenges apply to the UK as a whole, it is important to consider the specific issues these pose for the South West. The following sets out the 3 main challenges identified in the National Energy Review consultation; the text in bold considers particular issues and implications for the South West:

1. There is more evidence of the adverse impact of climate change, reinforcing the need to take action to cut the emissions that cause it in the UK and across the world;
The natural environment is one of the South West's greatest assets, helping to attract people to the region and to drive economic development. The natural environment is susceptible to climate change in a variety of ways; one particular issue is the vulnerability of coastal areas. Modelling undertaken by the Hadley Centre estimates that cumulative net sea change for around the 2080's for the South West varies from plus 16cm under low emissions scenario to 76cm under a high emissions scenario (Draft Low Carbon Housing Fuel Poverty Strategy).
2. The UK has become a net importer of gas sooner than expected and is also becoming a net oil importer. With heightened concerns about energy security, there is the question of whether more needs to be done to manage potential risks.
The South West is a net energy importer. It is also at the end of the electricity and gas grid with large proportions of the region off the gas grid, and so is particularly vulnerable to disruptions in energy supply.
3. Energy prices have risen sharply, which is reversing some of the progress made in reducing fuel poverty.
Fuel bills have increased substantially for households and business in the region. The number of people in fuel poverty in the region has increased from 138,000 in 2003 to over 250,000 in 2005.

4.6 These challenges, and the urgent need to respond to them, make this Regional Strategic Review on Sustainable Energy particularly timely. The Government's consultation on the Energy Review ended on 14th April 2006. The SWRA sent, as an initial response, the key emerging issues from this Regional Strategic Review. This report will be submitted as part of a more detailed response to the published National Energy Review¹ and it is hoped that Government will take it into consideration in further work underway to implement the Review proposals.

¹ This report had been prepared prior to the publication of the National Energy Review in July 2006

5.0 Findings

- 5.1 Although this report's primary focus is on regional organisations such as the SWRDA and the SWRA, its recommendations are intended for a wider audience – local authorities, business support organisations and government departments and agencies. It is important for those involved in sustainable energy to work closely together to ensure resources are targeted effectively.
- 5.2 Quotations in the body of this report are taken from the verbatim transcript of discussions that took place between the Scrutiny Panel and the SWRDA representatives on 17 May 2006. The findings and recommendations are grouped under the topics used to structure the Regional Strategic Review.

6.0 Overarching Issues

6.1 The Scrutiny Panel recommends 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;**
- **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;**
- **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;**
- **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;**
- **the SWRDA works with the SWRA and other partners on its relationship with the media on energy issues in the South West.**

6.2 Awareness around the issues of climate change and sustainable energy has risen substantially in a very short period of time. The most important conclusion stressed by interviewees, workshop attendees and questionnaire respondents to this Review is the urgency with which people and organisations need to take action to tackle climate change by reducing carbon emissions. It is now widely accepted that the increase of carbon dioxide in the environment, created by human activity, is causing temperatures to rise. Climate change is widely acknowledged as the greatest environmental challenge to face the world today. This year, the carbon dioxide level reached 382 parts per million, the highest figure ever recorded, and some 50% higher than the average for the last 10,000 years². The work of the International Climate Change Task Force 2005 suggested that catastrophic and irreversible climate change is likely to happen if atmospheric carbon dioxide concentration exceeds 400 ppm.

6.3 The Panel notes that despite the limited resources to put into sustainable energy at the regional level, there has been considerable work on some parts of the agenda, and good examples of partnership working. Particular issues that were seen as positive by many participants in the review included the pioneering work by RegenSW and the RDA on the wavehub project, and the radical proposed zero carbon development policy in the draft Regional Spatial Strategy (RSS).

² Intergovernmental Panel on Climate Change (IPCC) as cited in the Independent, 24/05 2006

- 6.4 However, as stated above, the issue of climate change and the role that energy policy has to impact upon this issue has only recently become of such high profile. The Scrutiny Panel notes that different Government departments have responsibility for different parts of the energy agenda, and there are frequent failures to ensure national policy in this area is joined up. The Panel hopes that an outcome of the National Energy Review will be to ensure there is more joined up national policy and action in this area. The Panel also notes that, in part due to the lack of clear and coherent messages at the national level, there is a lack of clarity about the roles and responsibilities of regional and local level public agencies in this area.
- 6.5 One mechanism for achieving a reduction in carbon emissions at the regional level is through ambitious and consistent targets in regional strategies. **The Scrutiny Panel recommends 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.** This should be reflected within strategies and in all areas of work.
- 6.6 The revised RES has moved the region forward in providing a strategic framework for the development of the South West's economy. However, stakeholders expressed concern that there needs to be a greater sense of urgency in the Regional Economic Strategy (RES) to ensure that the region's energy needs are met while meeting the challenge of climate change. This was noted by one of the Scrutiny Panel members during the bilateral discussions:
- “Having read it now from that perspective, I am not sure I got the answers I might be seeking around whether the RDA acknowledges, as we all do, that there is a major energy issue to be addressed”*
Chris Irwin, Scrutiny Panel Member
- 6.7 The SWRDA stressed at the bilateral discussions that, because the RES is regularly reviewed, there is scope for this strategy to be strengthened in relation to this agenda when it is reviewed in three years time:
- “The RES as you read it now is far stronger on energy than previous RESs...The South West debate is a mechanism for better understanding the issues so that in the full revised RES in three years' time we address energy – maybe in a more fundamental way, depending on the outcome of our intelligence gathering”.*
Claire Gibson, Director of Transport, Planning and Environment, SWRDA
- 6.8 The Scrutiny Panel supports this commitment made by the SWRDA at the bilateral discussions.
- 6.9 Throughout the review, stakeholders commented positively on the excellent work taking place in the region across the different elements of sustainable energy agendas. This included RegenSW, the Bristol-based Centre for Sustainable Energy, and various Energy Efficiency Advice Centres. However, the consultation also revealed that there was some uncertainty about what the

different roles of organisations are, what support is available, and whether different work is tackled at national, regional, sub-regional or local level.

- 6.10 There has been discussion amongst a number of regional players to develop a Regional Sustainable Energy Strategy, which could provide this framework. The Panel notes that this was an action in the Regional Environment Strategy published in 2004³, and this forms one of the actions in the RES Delivery Plan 2006-2009. It is being led by GOSW and will act as the overarching strategy for the Regional Renewable Energy Strategy (RRES), and the two strategic documents currently being developed; the Low Carbon Housing and Fuel Poverty Strategy (LCHFPS), and the Regional Business Resource Efficiency Action Plan. The Panel has noted that work on the overarching strategy has not yet commenced due to resource constraints, and the focus has understandably been on developing the component parts of such a strategy. However, such an approach risks losing the sense of cohesion between the different work areas and risks the limited resources that do exist not being utilised in the most efficient manner.
- 6.11 A range of stakeholders consulted by the Scrutiny Panel throughout the review supported an overarching energy strategy which addresses both demand and supply. This could cover reductions in energy use and demand with regard to electricity, heating and transport (including energy efficiency and fuel poverty); renewable energy; security of supply; reliability of supply and the switch to low carbon energy sources. Stakeholders also referred positively to the idea of a South West sustainable energy agency or partnership, which would take ownership of the whole agenda. There was support for such a partnership to co-ordinate the different strands of sustainable energy work and funding, and signpost relevant organisations. **The Scrutiny Panel recommends 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.** The role of RegenSW could be expanded to lead on this issue.
- 6.12 The need to develop skills across the region has been identified throughout the review as a key issue to address in relation to all aspects of the sustainable energy agenda. This has ranged from skills in the construction sector to education and raising awareness. **The Scrutiny Panel recommends 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.**
- 6.13 The region is committed to ensuring that economic growth does not have adverse effects on the environment. This is a particular challenge given that the South West economy is predicted to grow faster than other regions, which has implications for higher energy use. The RES states that the “region is

³ ‘Our Environment: Our Future – The Regional Strategy for the South West Environment 2004 – 2014’, South West Regional Assembly in association with the South West Regional Environment Network, 2004

committed to reducing its environmental ‘footprint’ by adopting a low carbon approach to economic development”. The Panel is supportive of this in principle, but is concerned that there is no clear sense of what this means or how it is to be achieved. Moreover, many areas of the RES could potentially work in the opposite direction, for example, the commitment in the Delivery Plan to enhance the region’s main airports. Commitment is required across a range of policies to reduce emissions; positive action in one area can quite easily be cancelled out if there is not a consistent approach across all areas. The Scrutiny Panel is concerned that the RES does not contain a clear definition of a low carbon economy, how this might look, and what actions by players such as the RDA, including in its sector support role, can be undertaken to achieve this vision. **The Scrutiny Panel recommends 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** (see also paragraph 8.6 on South West Debates).

- 6.14 Finally, given the importance of these issues, and the far greater level of public and media interest in this agenda recently, there is an ideal opportunity for all regional organisations to work together to convey a consistent message, which is more likely to achieve the desired outcomes. Given the media’s powerful role in shaping people’s perceptions, **the Scrutiny Panel recommends that the SWRDA works with the SWRA and other partners on its relationship with the media on energy issues in the South West.**

7.0 Recommendations on the South West Regional Development Agency's Approach

7.1 The Scrutiny Panel recommends that the SWRDA:

- **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 SWRDA 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;**
- **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.**

7.2 The SWRDA has some important roles in relation to sustainable energy; it set up, and provides core funding for, RegenSW, the regional renewable energy agency (see paragraph 9.3 and 9.15 – 9.18); it invests in demonstration projects in wave, tidal and biomass technologies; it has a coordinating role for Business Energy Efficiency (see paragraph 10.5); and it is committed to energy efficiency and building integrated renewable energy in its developments. The SWRDA aims for all its developments to achieve a BREEAM (Building Research Establishment Environmental Assessment Method) rating of 'very good', and to strive for an 'excellent' rating wherever possible. Stakeholders who participated in the review were positive overall about SWRDA's aims in relation to these areas. However, whilst the Panel noted that the SWRDA has championed this approach on some development sites, there was some concern from stakeholders that it does not appear to have done so consistently. For example, there is no reference to sustainable construction in the information about most SWRDA developments on the SWRDA website. The Panel considers that the SWRDA should champion renewables on all its development sites and ensure that such schemes are properly publicised. The SWRDA accepts that this is an area for improvement:

"I think we are doing a lot, but we would hold our hands up and say that we are not good at selling success in these areas; we are not very good at publicising some of the things that we are doing, and we are working very hard now".

Colin Molton, Executive Director of Operations and Development and Deputy CEO, SWRDA

7.3 Sustainable Energy has clear links with other agendas, for example, skills and waste. It is important that these are considered alongside each other as decisions about one agenda can have implications for another. In relation to

skills, there are a range of skills required to deliver the energy agenda – which include implementation and design – and a number of stakeholders during the review have identified the importance of having a greater understanding of what further skills are required in the region.

- 7.4 The need for greater integration was explored at various points throughout the review including the bilateral discussions. The Scrutiny Panel welcomes recognition by the SWRDA of the integration between sustainable energy and other agendas. The SWRDA discussed steps they have taken to achieve greater integration:

“Within the RDA we now have a fully integrated team such that the work the RDA does on energy or waste is all sitting in one place; we therefore can think across the piece on those issues, alongside climate change as the overarching issue. Now that we have a fully staffed energy and waste team, we are now starting to see the benefits of that integration. That is not necessarily the case elsewhere. However, as a region we are recognising that issue and moving towards that integration”.

Claire Gibson, Director of Transport, Planning and Environment, SWRDA

- 7.5 **The Scrutiny Panel recommends that the SWRDA 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 SWRDA 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.**

- 7.6 An issue to emerge from the review was that there was some interest amongst stakeholders for greater consultation from the SWRDA, and improved transparency about the decision-making process, in relation to energy issues. There was a perception amongst some participants in the review that the SWRDA does not always consult as widely as it might, and does not always engage the most appropriate range of stakeholders. This issue has also arisen in several past strategic reviews. An example given was that there was insufficient evidence of adequate consultation with BREW (Business Resource Efficiency and Waste programme) partners and other regional partners in relation to developing the BREW business plan. The Panel considered that it is particularly important that the SWRDA, or its agents where appropriate, fully engage with communities when it delivers on proposed demonstrator projects. One way it could demonstrate that it does so is by ensuring it complies with the engagement procedures in the South West Wind Protocol.

- 7.7 **The Scrutiny Panel recommends that the SWRDA 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. As part of this, the SWRDA should adopt the principles of the wind protocol relating to public engagement, and encourage developers it is working**

alongside to do the same (See paragraph 9.20 – 9.22 for more detail about the wind protocol. See also Recommendation 14).

8.0 Security of Supply

8.1 The Scrutiny Panel recommends 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;**
- **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;**
- **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.**

"Thinking through what we can do at a regional level to really influence security of supply, we feel it is a matter of supporting what national Government is doing – and indeed that is now what is in the revised RES".

Claire Gibson, Director of Transport, Planning and Environment, SWRDA

8.2 Security of energy supply is the ability to get energy when it is required without interruption. Most decisions about security of supply are not taken at the regional level, but made at a national or international level. However, the region does have a number of potential roles including:

- i) Reducing demand;
- ii) Meeting regional renewable energy targets (including decisions about smaller scale energy schemes);
- iii) Lobbying/influencing national policy decisions;
- iv) Setting goals for proportion of self-sufficiency.

8.3 Although it may sometimes be appropriate for the region to support what is happening at the national level, the South West is a distinctive region and national solutions may not always best serve the region's needs.

8.4 The region is heavily reliant on imported energy – both in terms of primary resources (for example, gas and uranium) and generating capacity. With the imminent shutdown of nuclear power stations, this reliance could become even greater. The South West faces other challenges; the region is at the end of the grid network, the region is growing which has implications for energy demand and grid capacity, and large proportions of the region are off the gas grid. However, there are also considerable opportunities. Currently there is a small amount of renewable energy production in the region, but there is the potential for significant capacity. **The Scrutiny Panel recommends 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.**

8.5 The region only produces a third of electricity it uses. A sustainable economy should look to maximise opportunities for production capacity in the region. This would reduce the regional spending that goes out of the South West on energy. Another related issue is that the negative externalities could be greater in other regions in relation to power generation. These include issues such as visual impact, potential accidents and local emissions. Increasing the production capacity in the region would mean the region was receiving a more equitable share of the real costs of generating energy.

8.6 The Regional Economic Strategy (RES) proposes that regional partners undertake a series of 'South West Debates' on a number of critical issues facing the region's economy. One of the debates will consider 'energy challenges' which will include a discussion on whether the region can become more energy self-sufficient. It is important that the SWRDA works in partnership with the SWRA and other regional organisations in developing the "South West debates" (see also paragraph 12.6 on the South West debates). This was discussed at the bilateral:

"There is the debate, which is just a process of information intelligence gathering, but then there is what may be the more fundamental issue about this concept of a regional partnership to actually move this forward... That to me should be the focus; the debate is just a process of gathering intelligence, in which the Assembly is obviously going to be heavily involved in terms of all the debates"

Claire Gibson, Director of Planning, Environment and Transport, SWRDA

"I think I was trying to encourage you to go one step further and ask if there is some way in which the resource investment in the great debates might be even more properly allocated, at least in part, to a more inclusive arrangement"

Chris Irwin, Scrutiny Panel Member

"Sure. In fact, I would have thought it was a good use of it"

Juliet Williams, Chairman, SWRDA

8.7 The questionnaire responses highlighted a number of issues in relation to security of energy supply, including a concern that it would not be addressed until shortages occur. The most frequent comment made was the need for the South West to reduce its dependency on energy imports and to become increasing self-sufficient. A number of questionnaire responses, and other stakeholders, stressed the importance of diversification of supply. There was the broad recognition that there is no single 'golden bullet' that will solve the region's energy challenge. **The Scrutiny Panel recommends 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.**

8.8 Some support has been expressed by stakeholders for further work to be undertaken to consider the opportunities in the Severn estuary, including the option of a Severn Barrage although others have expressed opposition to such

development. There are certainly significant environmental, social and economic issues that would have to be addressed as part of such a study. Leaders of the SWRA held preliminary discussions in April with Ministers in the Welsh Assembly, and agreed that “consideration should be given to re-evaluating the feasibility of utilising the tidal energy of the Severn Estuary for electricity generation alongside the other electricity generating options.”

- 8.9 At the bilateral discussions, the SWRDA raised the potential lobbying role for the region in relation to the Severn Barrage:

“It may well be a lobbying exercise more than anything else to ensure that it is part of the national agenda”.

Juliet Williams, Chairman, SWRDA

- 8.10 The Scrutiny Panel welcomes the commitment by the Sustainable development Commission to undertake a detailed appraisal of the options in the Severn Estuary and consider that this is important to ensure an informed debate on the options can take place.

- 8.11 **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.**

9.0 Renewable Energy

9.1 The Scrutiny Panel recommends 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;**
- **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 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;**
- **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.*

“If we are going to be serious about it, we need leadership, we need to change the planning arrangements and we need to push hard on renewables. Otherwise, we will just not get anywhere near it”.

Colin Skellett, Board Member, SWRDA

- 9.2 The South West has some of the best renewable energy resources in the UK, including significant opportunities in relation to wind, wave and tidal. Renewable Energy technologies can provide low carbon sources of energy. In addition to the environmental benefits of producing more energy from renewable sources, there are significant economic benefits through creating more jobs in the region. In the South West, there are approximately 200 businesses and other organisations operating in renewable energy, employing over 1,100 people in the sector and contributing an estimated £34 million to the economy (RegenSW, 2006). Estimations show that there could be as much as £183 million by 2010 and £517 million by 2020 (The Economic Contribution of the Renewable Energy Sector to the South West, 2005). The potential contribution of renewable energy to the South West’s economy was emphasised at the bilateral discussions:

“We have a lot of businesses in the South West which are good at renewable energy, and we are trying to use Regen SW not only to help achieve the

targets, but to help those businesses develop and grow so that they become a really substantial part of the South West's economy".

Colin Skellett, Board Member, SWRDA

9.3 The Panel has noted that the South West has also been at the forefront of policy and delivery with regard to renewable energy, and as such there was a better evidence base on this part of the Review than on some other areas. The South West established the first regional renewable energy agency (RegenSW) and published the UK's first Regional Renewable Energy Strategy (RRES) in April 2003. The overall vision of the RRES is to: 'maximise the social, environmental and economic benefits of renewable energy through the integration of renewable energy into mainstream policy and practice at all levels within the region'. It outlines plans for generating up to 15 per cent of the region's power from renewable sources by 2010.

9.4 The draft Regional Spatial Strategy (RSS) for the South West contains some innovative renewable energy policies. It has led the way by including sub-regional renewable electricity targets for 2010, which have been consulted upon and agreed within the counties and/or sub-regions. It also contains the first regional renewable heat targets.⁴

"The policies that have gone forward in the draft RSS are groundbreaking, particularly the one on renewable heat, which has never been done before".

Matthew Spencer, Chief Executive, RegenSW

9.5 By 2020, there is a target for at least 20 per cent of the region's electricity demand to be met by renewable sources (see Appendix C for detail of the electricity and heat targets as contained within the draft RSS). These targets have been agreed as part of the Revision 2010 and 2020 projects, which were funded by the GOSW in partnership with the SWRA. These targets will be subject to testing in the Examination in Public of the RSS, but the Panel considers that it is important that they are upheld through that process.

9.6 Although the South West has made a good start and has a range of renewable energy installations using wind, hydro, solar and biomass resources, in 2005 only about 3% of the region's electricity demand was met by these methods. There were widespread concerns expressed in the consultation that the targets, particularly for 2010, are not going to be met. At current rates of approval, it would take the South West over fifty years to meet its 2010 renewable electricity target.

9.7 Planning permission was frequently cited as a barrier throughout the review by stakeholders and experts. Indeed, only one utility scale renewable electricity scheme, totally 7 MW, has been approved by a district council planning committee in the region in the last three years. In contrast, district councils have turned down eleven schemes totalling 125 MW in the same

⁴ The South West appears to be making good progress in relation to renewable heat. RegenSW's 2006 Renewable Energy Survey identified 266 renewable heat projects in the South West and 20.43 MW of renewable heat installed capacity. This figure is up by over 15 MW from last year, 4.4 MW of which (93 new projects) were identified as newly installed capacity and the rest due to better reporting of existing schemes.

period. Three district council refusals have been overturned at appeal. Applications are frequently being turned down on the grounds that local impacts (such as impact on landscape) outweigh wider benefits, such as contribution to regional and county level targets and the reduction in carbon emissions. Whilst local considerations such as the impact on landscape must be taken into account and each application must be considered on its merit, the Panel noted that there is clearly a perception that insufficient consideration is being given to the benefits of renewable energy schemes. If targets, and particularly the 2010 targets are to be met, we need a step change in the number of renewable energy projects receiving planning permission. The Panel has noted that the proportion of renewables applications, identified above, is in marked contrast to average approval rates for other developments (around 80% approved), including for developments that can be seen as controversial, such as for waste facilities.

9.8 Education and raising awareness were identified throughout the review as having a crucial role in increasing the approval rate of renewable energy planning applications. Questionnaire respondents, in particular, perceived there to be a lack of understanding about energy challenges amongst elected members. The public and key decision makers need to be educated about the wider economic and environmental benefits, so that debate does not only focus on local social and environmental impacts.

9.9 There are numerous myths that surround renewable energy projects, particularly wind energy. The need for education to dispel these myths, is crucial. Onshore wind is currently the most economically viable of the renewable technologies. This combined with the fact that the South West has areas of strong wind resource means that onshore wind is the most significant technology in terms of ensuring the region hits its 2010 target. Members of the scrutiny panel undertook site visits to renewable energy projects in the North Devon area as part of this Regional Strategic Review. The panel commented positively on both the Holsworthy biogas plant and Bradworthy wind farm. In relation to the wind farm, Members particularly noted the seemingly harmless effect on wildlife and the sound of the wind rather than any noise generated from the turbines (two common myths about wind farms are that they are noisy and kill birds).

9.10 The issue of education was raised at the bilateral discussions, and although it was considered important in assisting with the delivery of renewable energy targets, it was not considered to be the only answer:

“The trouble is that no matter how much education you do, it still does not mean that we get the planning approvals. That is a real issue if we are going to be serious about renewable energy”.

Matthew Spencer, Chief Executive, RegenSW

9.11 If district councils were required to adopt renewable electricity targets, this would increase their responsibility in meeting regional and county targets, and could be an effective mechanism in increasing the number of schemes approved. Some districts are moving towards developing district level targets; national policy could obviously demand this happens. Some stakeholders –

both questionnaire respondents and workshop attendees were in favour of district targets.

- 9.12 **The Scrutiny Panel recommends 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 SWRDA and SWRA have a particular role in identifying how the development of renewable energy might best be facilitated at a regional and local level and to promote this information to all relevant parties.
- 9.13 Given the challenge outlined above, local planning authorities in particular need to recognise that delivery of the 2010 targets will require greater levels of approvals of wind farms. **The Scrutiny Panel 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.**
- 9.14 The draft RSS expects large scale new developments to provide, as a minimum, sufficient on-site renewable energy to reduce carbon emissions from energy use on site by 10 per cent. Some stakeholders during the review questioned whether this policy is going far enough, particularly given that the draft RSS also requires larger scale developments to be designed and constructed so as to be carbon neutral. There has been some discussion amongst regional partners about reviewing this policy. However, there is a need to review the evidence base to make this policy more challenging. The Panel notes that there is a need to ensure policies and targets in the RSS are evidence based and should not place an undue burden on developers. **The Scrutiny Panel recommends 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.**
- 9.15 RegenSW, who are funded by the SWRDA, act as a catalyst for the development of renewable energy in the South West. They have three objectives: to increase the amount of high quality renewable energy projects on the ground; to secure short-term growth by supporting business in the renewable energy sector; and to position the region for long term economic growth by developing early leadership in renewable energy technologies.
- 9.16 In the questionnaire responses, and throughout the review, RegenSW was consistently referred to for its positive work on renewable energy. The Panel considers that RegenSW should continue its excellent work supporting local authority planners to develop effective planning policies, encouraging inward investment in renewables, developing the regional renewable sector, and championing the region to central government and others as the leading English region for renewables.

9.17 As part of their first objective, RegenSW offers advice and support to Local Planning Authorities on the policy and delivery of renewable energy. Given the extent to which planning acts as a barrier to progress, it is vital that this good work continues, and particularly focuses on elected members' understanding. A key issue stressed at both regional workshops was the urgent need for political leadership at both the regional and local level. Similarly, the recent work published by the Way Ahead Advisory Group highlighted the importance of local authorities providing strong leadership with a clear planning vision⁵.

9.18 RegenSW proposes to develop an experts panel to increase the support provided to elected members, as a way of improving their understanding of renewable energy. This was discussed at the bilateral:

“One of the things we are considering and would like to talk more to the Assembly about is whether there should be a regional panel that advises councillors, as well as officers, on the tricky issues that come up around individual schemes. We provide some of that service now, but perhaps with the input of planning lawyers and others there could be a greater level of confidence for those councils. I think there is also a job to be done in making sure the political champions in individual councils have support from those of you who have had to take stands on issues”.

Matthew Spencer, Chief Executive, RegenSW

9.19 Stakeholders have stressed throughout the review the importance of community buy-in to the delivery of renewable energy. It is crucial for communities to see the benefits and be actively involved in the whole sustainable energy agenda. The SWRDA stressed the importance of this at the bilateral discussions:

We have learnt a lot from Winkleigh⁶. One thing that we did learn is that you have to have community buy-in, and that does not just go for renewable energy projects but across the board.

Claire Gibson, Director of Transport, Planning and Environment, SWRDA

9.20 RegenSW has developed an important mechanism for local engagement, the Wind Protocol, which was launched in September 2005. The Protocol requires signatories – both wind energy developers and local planning authorities - to commit to developing a robust process of public engagement around new wind proposals. It is in line with the requirements of the Planning and Compulsory Purchase Act (2004), which encourages greater public participation in significant development control decisions. Signing up to the Protocol does not imply support for wind energy. It ensures that local communities near any proposed wind energy developments can be clear about how the developer will keep them involved with development plans, how they can ensure their concerns are addressed and on which issues the developer is willing to negotiate both within and outside the formal planning process. It

⁵ ‘New Ideas for Sustainable Growth? South West England is Delivering’, The Way Ahead Advisory Group, March 2006. Supported by colleagues from the SWRDA, SWRA and GOSW. Follows on from ‘The Way Ahead: Delivering Sustainable Communities in the South West’ published last year.

⁶ A proposal for a biomass plant at Winkleigh that SWRDA supported, where there was a very significant local campaign of opposition

also increases the chance that schemes that are given planning approval will work for local communities by providing guidance on how to negotiate profit sharing and local employment benefits from new schemes.

- 9.21 The Wind Protocol is the first of its kind in the UK, and has been endorsed by the Sustainable Development Commission, the South West branch of the Local Government Association, the Royal Town Planning Institute South West, the British Wind Energy Association, and Triodos Renewables. The Protocol has been signed up to by three major developers and another three smaller developers who are active in the region. These include RES ltd who are behind the Denn Brook wind scheme proposed for West Devon; NPower Renewables who are behind the Batsworthy wind proposal; and Devon Wind Ltd who are behind the Fullabrook Down application in North Devon.
- 9.22 The Wind Protocol has also been signed up to by Devon and Dorset County Councils and three other district councils in the region. Cornwall Sustainable Energy Partnership is working with Cornish Local Authorities to get them all to sign up to the Protocol, and one of the action points of the Dorset Renewable Energy Strategy is for the district authorities to sign up. Moreover, the Protocol has been taken as the starting point for the development of a national Wind Protocol being developed by the Centre for Sustainable Energy. The Panel considers it disappointing that take up and endorsement of the protocol has been limited to date. The Panel also noted that some stakeholders referred to difficulties faced by developers in being able to engage in pre-planning application discussions with planning officers which would help identify issues which might lead to refusal, many of which could be addressed if identified early. The Protocol specifically encourages such pre-application discussions and the Panel considers that its adoption would improve the quality of applications coming forward and the likelihood of approval through the planning system.
- 9.23 **The Scrutiny Panel recommends that 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.*
- 9.24 A number of stakeholders identified skills as an issue to address, with some demand for specific training to help improve the delivery of renewable energy. Skills is one of the three economic drivers identified in the RES. The SWRDA recognises how important skills are to making improvements in economic performance:

“We have a number of projects running on construction skills. This is an area in which Juliet has taken a lead in Cornwall, where we are looking at

other projects to build in skills into sustainable communities. This is an agenda that we feel is very important”.

Colin Molton, Executive Director of Operations and Development and Deputy CEO, SWRDA

“We want to take a step change, to be honest, but it is getting all the ducks in a row in order to be able to do that. However, the willingness is there, as is the motivation”.

Juliet Williams, Chairman, SWRDA

“The Regional Spatial Strategy (RSS) policy on building integrated renewables is going to create huge opportunities for our businesses, but there is going to have to be a huge education process for people implementing that policy, whether they are in local authorities or the construction sector. That is something that we have started to talk to the Assembly about in terms of how quickly that demand will come through and how we will manage it. It is quite a big question for us in the region”.

Matthew Spencer, Chief Executive, RegenSW

- 9.25 The panel considers that addressing skills issues, particularly in the construction sector, to deliver on sustainable construction and renewable energy, is vital to delivery in this area (see recommendation 3).

10.0 Business Energy Efficiency⁷

10.1 The Scrutiny Panel recommends 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;
- 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;
- 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;
- 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.

10.2 In 2003, commerce and industry in the South West was responsible for 11,631 kt of CO₂. This is close to the total for domestic energy (11,877) use and slightly more than for transport (10,260) (excluding aviation). The commerce and industry sector is the largest consumer of electricity, consuming 54 percent of total electricity consumed in the South West⁸.

10.3 The SWRDA showed their commitment at the bilateral discussions to the business energy efficiency agenda – within the context of climate change - and stressed the need to address people’s perceptions:

“Surely your chief aim is to improve the bottom line of businesses and not to save the planet? Do they dovetail nicely?”

Howard Thomas, Scrutiny Panel Member

“I think the two live together very happily”.

Juliet Williams, Chairman, SWRDA

“Absolutely. We are about to run a seminar for businesses in Bristol called ‘How to make money from climate change’. We have to change people’s perceptions that this is all a threat and that it is miserable. They can save money, they can make money. That is the push we have to make to get business to engage”.

Colin Skellett, Board Member, SWRDA

⁷ Clearly, this Review has not looked at the full resource efficiency agenda, but has just focused on sustainable energy. However, the Panel consider that the recommendations under this section are generic and could also apply to the wider resource efficiency agenda (including issues like waste and water).

⁸ South West Business Resource Efficiency Study – Progress and Summary of Emerging Findings

- 10.4 There is a wide range of organisations offering support and advice to businesses in the South West on energy efficiency measures. A number of small local organisations have provided support to businesses, often with limited resources, and since restrictions in access to landfill tax credits in 2003, resources have been even more limited. Many of these organisations worked together and were networked through the Horizon South West network. Since April 2005 DEFRA has funded a range of national organisations to provide support to businesses in this area. A very clear message to come out of the review is that there are a plethora of different national, regional and local organisations, which have overlapping roles and responsibilities. This is confusing for businesses and the Panel considers that it is essential that business support services on resource efficiency are pulled together in a common structure that delivers a “one stop shop” service to businesses.
- 10.5 The SWRDA was given a coordinating role for resource efficiency activity at the regional level in April 2005, and was provided funding from DEFRA through BREW (Business Resource Efficiency and Waste Programme) initially for a three year period. The SWRDA have appointed consultants, Ecotec, to undertake some work on developing a Regional Business Efficiency Action Plan, and this piece of work is due to be completed this summer⁹. The emerging findings also identifies that businesses are confused by the roles and services offered by different organisations. 55 business support organisations, networks and sources of information were identified. It also identifies that there is duplication of support in some areas, but gaps in others. The key message from the analysis is that significant changes are needed to the energy efficiency performance of businesses if we are to meet carbon emissions reduction targets. The Panel were concerned that evidence provided to them as part of the review implies that there is only very limited coordination between the BREW funded agencies, and whilst their funding agreements with DEFRA require that they work with the RDAs, there is little evidence of effective coordination and they are not accountable to anyone in the region for their activity in the region.
- 10.6 The Panel were also concerned about the extent of consultation in relation to the SWRDA’s co-ordination role (see recommendation 7 on consultation):
- “Is the business plan for the BREW money being worked up in consultation with those other three partners in the region? Has it been consulted on more widely? There are a number of other stakeholders with regard to the whole resource efficiency agenda who may well have views on how that business line should move forward”.*
- Mark Walton, Scrutiny Panel Member*
- 10.7 Moreover, the Panel were concerned that there was very little activity on this work area by the RDA in the first six to eight months of the funding programme, but note that following that, the RDA appointed staff to fulfil this

⁹ The second workshop as part of this review on 11th April provided an opportunity for stakeholders to comment on the emerging findings, and to feed into the development of the study

role and work has taken place. However, it is not at all clear that the right agreements are in place between DEFRA and the national agencies to ensure they work effectively with the SWRDA. The SWRDA recognise that there is some progress to make in relation to partnership working generally in this area:

“I think as a collective partnership, we have some way to go to move towards coordination”

Claire Gibson, Director of Transport, Planning and Environment, SWRDA

10.8 The Scrutiny Panel therefore recommends 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;**
- **the SWRDA urgently deliver on its coordination role of BREW partners, and address the issue of inconsistencies in the level of business support through the region.**

10.9 The Panel notes the SWRDA’s support for Envision. It is seen as a positive programme but there are some concerns about the overlap with national schemes. Support for programmes such as Envision should continue, but it is important that they are tailored to add value to nationally available support.

10.10 A key issue that emerged from the consultation was the need for a one-stop shop to signpost businesses where to go. It is most sensible to build on existing infrastructure. Although there are some concerns about their standing within the business communities, Business Links - a government-funded service which provides advice and information to businesses – appear to be well placed to act as the single portal, particularly given that RDAs have a new management responsibility for them. The Panel notes that in its report on business development in 2004 the Panel recommended that the RDAs “plays a role in helping raise demand for business advice that supports sustainable development and help to “mainstream” the provision of sustainable development advice across the South West”. The Panel considers it important that this is urgently delivered through the Business Link framework. **Therefore the Scrutiny Panel recommends 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.**

10.11 An issue to emerge from discussions with key stakeholders at the beginning of the review was that a number of national organisations are placing regional representatives in the South West. There was some concern about accountability, and how engaged these bodies are with the regional agenda (as stated in 10.5). **The Scrutiny Panel recommends 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.

11.0 Domestic Energy Efficiency and Fuel Poverty

11.1 The Scrutiny Panel recommends 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;**
- **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;**
- **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;**
- **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;**
- **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.**

11.2 The domestic sector consumes 28% of all energy generated and is responsible for 27% of UK CO₂ emissions¹⁰ and is therefore a critical area to focus on. The areas of domestic energy efficiency and fuel poverty have had a very low profile at the regional level and the Panel have noted that none of the regional agencies have a clear policy lead in this area. As demonstrated in the ‘40 percent house’ project¹¹ the domestic sector can deliver on the four key principles of the 2003 Energy White Paper. In addition to reducing carbon emissions, energy efficiency in the domestic sector alleviates fuel poverty. Fuel poverty is when a household is required to spend more than 10 per cent of its income on maintaining a satisfactory heating regime¹².

11.3 The South West has, on average, a higher proportion of households in fuel poverty than the average for England as a whole. This is largely due to the large number of hard to heat homes in the region. Much of the region is off the gas grid, and therefore heating costs are higher. The region also has a high

¹⁰ DTI, 2002

¹¹ Environmental Change Institute, 2005

¹² Defra, 2006

- proportion of older houses which are solid walled and cannot benefit from cavity wall insulation.
- 11.4 Evidence presented to the Panel suggests that, largely due to rising fuel costs, the number of people in fuel poverty in the South West has doubled since 2003. The Panel considers this to be unacceptable and considers that appropriate actions need to take place at national regional and local level to ensure better futureproofing against fuel poverty.
- 11.5 The Government published a UK Fuel Poverty Strategy in 2001¹³, which sets out the framework for delivery of the Government's overall goal of seeking an end to the problem of fuel poverty. In it, local authorities are identified as having a key role to play in helping to reduce fuel poverty in their areas. Since April 2000, local authorities have been required to report on their actions to tackle fuel poverty as part of the annual Home Energy Conservation Act (HECA) reports to Government. Many local authorities have developed Affordable Warmth or Fuel Poverty Strategies, which provide a framework for reporting their progress.
- 11.6 Whilst action at a local level has been underway for many years, domestic energy efficiency and fuel poverty issues have only recently started to be addressed at regional level. There is massive potential for higher levels of energy efficiency measures in the South West, for example, 43 percent of all households have un-filled cavity walls¹⁴. A step change in the implementation of domestic energy efficiency improvements in existing stock is required. GOSW has appointed consultants to develop a Low Carbon Housing and Fuel Poverty Strategy (LCHFPS) and it is due for completion this summer. Headline targets for low carbon housing have been set, based on the modelling, analysis and consultation undertaken during the development of this strategy. The region should aim to achieve cuts in overall carbon emissions within the domestic sector of 17 per cent by 2010, 30 per cent cut by 2020, leading to at least a 60 percent cut by 2050 from a 1990 baseline. In terms of fuel poverty targets, the region should seek to deliver the national government target to eradicate fuel poverty in vulnerable households by 2010 and in all households by 2016¹⁵. It is important that regional partners support and buy-in to this strategy so that these areas get greater prominence at regional and local level. Moreover, all regional players and local authorities should review their strategies to increase the priority given to this issue. Recommendation 1 should be noted.
- 11.7 The question of whether the SWRDA has a role to play in this agenda has been raised during the course of this review:
- “ 60% of that reduction [reduction in national fuel poverty between 1997 and 2003 from 6.5m to 2m] was actually a result of people's incomes increasing, and that is where the RDA has a role to play. Of course, our task is to stimulate the economy sustainably and to help people become more prosperous. The focus for us is around working with those deprived communities through the regeneration work that we are already doing to*

¹³ <http://www.dti.gov.uk/energy/fuel-poverty/strategy/index.html>

¹⁴ Draft South West Low Carbon and Fuel Poverty Strategy

¹⁵ Draft South West Low Carbon and Fuel Poverty Strategy

help increase their incomes whilst at the same time that will be supported by the national initiatives through the Energy Saving Trust, the energy advice centres and local partnerships working to actually target the energy efficiency problems within their homes. That is the contribution we must make to the fuel poverty agenda.

Claire Gibson, Director of Transport, Planning and Environment, SWRDA

- 11.8 Some of these issues were considered as part of the review during discussions with National Energy Action, for example implications for wider spending patterns (wasting less energy saves money) and skills issues (generation of new jobs). A potential role for the SWRDA in relation to skills was raised at the bilateral discussions:

“I think some of these low-value, relatively low-skilled jobs, which are about engaging with communities and helping people who are fuel poor within those communities to deal with their problems with fuel poverty, is an area in which the RDA should be engaged”.

Mark Walton, Scrutiny Panel Member

- 11.9 Increased installation rates, in line with the targets set in the draft LCHFPS, will generate GVA worth over £100 million per year to the region’s economy from just the installation work alone, before considering for example, manufacturing and consultancy.
- 11.10 The Panel noted that there are clearly different views from different organisations on what the RDA’s role should be in addressing this part of the energy agenda and consider that it would be helpful if there was greater understanding of the RDAs role. Therefore, **the Scrutiny Panel recommends 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.**
- 11.11 The South West has an active Energy Efficiency Advice Centre (EEAC) network which provides the most significant source of energy advice for householders. EEACs have produced some very positive results; EEAC clients currently deliver in the order of 20-30 per cent of all South West installations for selected key measures¹⁶. Indeed, a considerable number of questionnaire responses commented on the positive work of the EEACs. The Panel also considers that engaging local communities, and encouraging them to take action, is crucial in improving energy efficiency in the domestic sector and consider that the EEACS are well placed to support local communities in this areas. Greater demand for energy efficiency measures also opens up opportunities for new skills and jobs. The Energy Saving Trust (EST) is currently piloting an approach that builds upon the work of the EEACs to develop a number of Sustainable Energy Centres, operating as part of a Sustainable Energy Network (SEN). These will deliver advice on a wider range of subject matter (building integrated renewables and personal transport as

¹⁶ Draft South West Low Carbon Housing and Fuel Poverty Strategy and Action Plan

well as energy efficiency). The roll out of the programme will take place during 2007/08.

- 11.12 EEACs currently secure in excess of £2 million per year revenue funding to support the delivery of advice and action at a local level. The proposed funding levels from EST for the SEN in the South West are currently being quoted by EST as approximately £1.5 million, plus possible marketing budgets. Given the increased responsibilities, and the objective to meet a greater number of customers, there are concerns that the funding will be inadequate. **The Scrutiny Panel recommends 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.**
- 11.13 Fuel poverty impacts on more than simply housing circumstances. Tackling fuel poverty helps to encourage social inclusion, which covers a massive agenda including health. The recent rapid growth in numbers of people in the region suffering from fuel poverty is a real concern, particularly as no regional partners are resourced to address this issue. **The Scrutiny Panel recommends 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.**
- 11.14 One key aim of the draft RSS is for all new development to meet at least Level 3 of the emerging 'Code for Sustainable Homes', and this is likely to be achieved primarily through high standards of energy efficiency. In addition, for larger scale developments, buildings should be designed and constructed so as to be carbon neutral, equivalent to the top Level 5 of the emerging Code for Sustainable Homes. The Panel supports these ambitious targets as they will help ensure that carbon emissions from new developments in the region will be minimized and residents of housing built to these standards are less likely to suffer from fuel poverty as energy costs will be significantly lower than in old stock, and notes that further work is needed to explain what is meant by the term carbon neutral and to provide guidance to developers. **The Scrutiny Panel recommends 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.**
- 11.15 The region needs a greater understanding of fuel poverty. National Energy Action is proposing to undertake some research into the economic benefits of eradicating fuel poverty. In addition to improving awareness, this work could highlight potential roles for a wider number of regional organisations than

currently are involved. The Scrutiny Panel feels that there would be merit in undertaking such a piece of work.

- 11.16 As stated above, the issues of domestic energy efficiency and fuel poverty have had a low profile at the regional level, particularly in key strategic documents such as the Regional Housing Strategy. The Panel considers that the merging of the regional housing body and regional planning body responsibilities within the Assembly provides a useful opportunity to ensure that these issues are better addressed in the wider housing agenda. The Scrutiny Panel welcomes the development of the LCHFPS, and considers it essential that the actions it contains are delivered to move forward this agenda. **The Scrutiny Panel recommends 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.**

12.0 Other Energy Related Matters

12.1 The Scrutiny Panel recommends 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;**
- **Regional partners complete an assessment of the opportunities from the growing biofuels market.**

12.2 Given the breadth of the topic, it was not possible to cover all potential aspects of the sustainable energy agenda in the region, so this review has focused on four components of the agenda – security of supply, renewable energy, business energy efficiency, and domestic energy efficiency and fuel poverty. However, there are several other issues that have been raised by stakeholders during the course of the review, in particular the need to reduce transport-related emissions¹⁷. As part of this, stakeholders were keen to see an increase in the contribution of biofuels to the energy agenda. This section considers these areas, and makes 2 recommendations on how the region can move these agendas forward.

12.3 Transport uses a significant proportion of the region's energy demand, and there are major challenges facing the region about how it can develop in a way that does not cause carbon emissions from transport to increase.

12.4 In addition to demand management, the need to develop the potential of biofuels (as part of a wider interest in biomass) has been raised by a number of stakeholders throughout the review. The Nationally-appointed Biomass Task Force concluded in their report to Government in October 2005 that biomass – in its diverse forms - has potential for contributing strongly to renewable energy and climate change objectives, and that much of this potential is currently unrealised. The Government, amongst other things, committed to working with Regional Development Agencies and other organisations to ensure effective, coordinated mechanisms for delivery of policy and advice.

12.5 The South West biofuels forum has undertaken an initial appraisal of the potential for biofuels within the region. The SWRDA and the SWRA should consider how to take this forward. **The Scrutiny Panel recommends 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.** It is important that this feeds in to the development of the Sustainable Energy Strategy. Moreover, **the Scrutiny Panel**

¹⁷ Transport was not in the terms of reference for this review. It was decided that given transport is such a major issue, it would be difficult to incorporate this subject to a satisfactory level in this Strategic Review. However, the Panel intends for it to be the topic of a future Regional Strategic Review.

recommends that regional partners complete an assessment of the opportunities from the growing biofuels market.

- 12.6 A number of the recommendations above relate to the RES debates on energy and environmental limits. The Panel welcomes the commitment of the RDA that these debates will be developed with regional partners and will help inform the next review of the Regional Economic strategy. Whilst the Panel acknowledges that the focus of the debates will be around issues relating to the economy the Panel considers it important, particularly in the case of the energy debate, the full range of social and environmental issues around energy are also fully taken into account. It is important that the energy debate builds on the work of this review (see recommendations 4 and 9 for specific recommendations made on the RES South West debates).

Appendix A

Information Sources and Contributions

The Scrutiny Panel was supported by a range of information compiled for the purposes of the Regional Strategic Review.

Research

A range of academic papers, policy documents and reports, were drawn together to inform the SWRA Scrutiny Panel. These included relevant regional strategies and information from regional stakeholders.

Tony Norton and Peter Connor (Exeter University) and Government Office for the South West provided expert advice and guidance for which the Scrutiny Panel is very grateful.

Discussion with Key Stakeholders

Members of the Scrutiny Panel were able to visit key players directly involved in particular aspects of sustainable energy.

Members held talks with Simon Roberts (Centre for Sustainable Energy), Matthew Spencer (RegenSW), Professor Geoffrey Hammond (Bath University), Colin Palmer (Wind Prospect Group), Duncan Bardsley (Carbon Trust), Mark Hodgson (Envision), Catrin Mabey (Severn Wye Energy Agency), Martin Eibl and Ian Tanner (National Energy Action) and Peter Brunt (DTI)

The Scrutiny Panel would like to record its appreciation to the organisations interviewed, as they helped provide a very useful insight into sustainable energy in the South West.

Questionnaire Survey

The South West Regional Assembly sent a questionnaire seeking views on sustainable energy in the South West to all Assembly member organisations – this includes local authorities, community groups, business representatives and environmental organisations. The results from this questionnaire were used to inform two workshops and bilateral discussions between SWRDA and the Scrutiny Panel.

The questionnaire helped identify some key lines of inquiry for the Strategic Review. The Scrutiny Panel is very grateful for all the contributions.

Sustainable Development

Drawing on the South West's Regional Sustainable Development Framework, Sustainability South West (the independent champion of sustainable development for the region) also provided a summary of key "sustainability" issues for sustainable energy in the South West. The Scrutiny Panel are grateful for this useful input.

Workshops

Two workshops were held to help inform the Strategic Review on Sustainable Energy; the first considered renewable energy and security of supply (14 March), and the second looked at business and energy efficiency and fuel poverty (11 April).

Both events provided an important opportunity for the Scrutiny Panel to openly discuss issues around sustainable energy and the role of different bodies in addressing them, with experts from across the South West and other key regional organisations and partners.

The workshops played an important role in formulating the recommendations outlined in this report.

The Scrutiny Panel would like to record its thanks to all the attendees of the workshop and in particular to speakers and panel representatives.

Bilateral Discussions

The workshop helped inform bilateral discussions between the Scrutiny Panel and Board Members and Senior Officers of SWRDA and RegenSW, which took place in public on the 17 May 2006. A full transcript of the event is available on the South West Regional Assembly website (www.southwest-ra.gov.uk).

Appendix B

SOUTH WEST REGIONAL ASSEMBLY /SOUTH WEST OF ENGLAND REGIONAL DEVELOPMENT AGENCY

TERMS OF REFERENCE

REGIONAL STRATEGIC REVIEW ON SUSTAINABLE ENERGY

PURPOSE OF REGIONAL STRATEGIC REVIEWS

The South West's Regional Economic Strategy 2003-12 (RES) provides a context for activities in the region to raise productivity, increase economic inclusion and improve communications and partnerships.

Each Regional Strategic Review focuses on the implementation of the Regional Economic Strategy (RES) – and in particular seeks to:

- examine how effectively the RES is meeting the region's economic needs;
- assess the consistency between the RES and other regional strategies;
- assess the contribution of all agencies in making a reality of the region's strategic objectives; and, through bilateral discussions with SWRDA,
- assess SWRDA's contribution in ensuring the success of the RES - both as a strategic catalyst and as delivery agent.

Through this process the South West Regional Assembly and SWRDA aim to:

- represent the views of the South West on the region's needs and assess the response to these needs;
- strengthen the accountability of agencies operating in the region;
- improve regional partnerships and increase consistency amongst regional and sub regional plans and strategies.

OBJECTIVES OF THIS REVIEW

A central principle in the RES is that Sustainable Development must underpin the approach to economic development in the South West. Sustainable Development is also at the heart of the Integrated Regional Strategy and delivering its objectives in a sustainable way. An important element of this is the need to tackle pressures on energy supply, and the RES considers both renewable energy and resource efficiency as key areas to address.

There are references in both the current RES and the draft revised RES to sustainable energy, including activity relating to:

- Environmental technologies and services, such as renewable energy;
- Demonstrator projects for renewable energy technologies;
- Regional renewable energy targets;
- Business resource efficiency; and
- Promoting sustainable construction.

In the emerging RES, it is proposed that Energy security is an issue to be addressed in the next RES review, and to be the focus of one of several 'regional debates'. In addition to examining how the region can develop its potential for renewable energy and resource efficiency in businesses, the review will help consider the best process for taking this debate forward.

This Strategic Review will consider how the use and supply of energy in the South West can be made more sustainable. This review will seek to address how the following four aspects of the sustainable energy agenda meet regional objectives:

- 1) Renewable energy
- 2) Energy efficiency in relation to business resource efficiency
- 3) Domestic energy efficiency and fuel poverty
- 4) Security of energy supply

In particular the review will look at the following issues:

1) Renewable energy:

- better understand the extent to which regional renewable energy policy will help the region's sustainable prosperity and consider the level of sector support required in the region
- examine the compatibility of the aim to meet renewable energy targets with other regional objectives and examine what policy implications this could have and how support for renewable energy policy is embedded in mainstream policy and practice of the SWRDA and other key regional and sub-regional players.
- examine the extent to which the structures and policies are in place to support regional policy delivery at a regional and sub-regional level.
- consider the level of ownership of the principle and policies in the renewable energy strategy at the sub regional/local level. Identify what obstacles there are to ensuring renewable energy targets are met and how these might be overcome.

2) Energy efficiency in relation to Business Resource Efficiency

- Consider how the emerging strategy/programme on business resource efficiency will improve the productivity and competitiveness of business and assist in the reduction in energy demand in the region

3) Domestic energy efficiency and fuel poverty

- consider how the emerging regional strategy on low carbon housing and fuel poverty will assist the reduction in energy demand in the region

4) Security of energy supply

- Establish a 'Roadmap', timetable and process for obtaining consensus on a regional view of energy security issues.
- consider how the region should best engage in the debate about security of energy supply by establishing a process of how the region can consider its own needs in this area and how it can contribute to the emerging national debate

Recommendations emerging from the Regional Strategic Review process will have implications for a number of organisations active in the region, including central and local government bodies, energy companies and agencies and SWRDA and SWRA.

ACTIONS

The Objectives of the Regional Strategic Review will be achieved through the following actions, undertaken or agreed jointly by SWRDA and SWRA.

Joint Actions

1. Consulting with key stakeholders through interviews and group discussions to identify:
 - regional needs and priorities and progress in meeting these priorities;
 - the roles and responsibilities of strategic and delivery organisations in the region and their relationship with SWRDA and the extent of integration between partners
2. In addition to this joint consultation, a questionnaire will also be issued to Assembly Members on renewable/sustainable energy.
3. Holding two regional workshops (on 14th March and 11th April) to focus on key issues and agree areas for further exploration in bilateral discussions.
4. Commissioning research, if appropriate, to inform the Regional Strategic Review.
5. Using SWRA and SWRDA websites to publicise the Strategic Review and invite contributions to the research.
6. Working with agreed regional experts in this subject area to identify the policy context, for example, policy teams from the Government Office for the South West or by obtaining independent support from academic experts or consultants.
7. Providing an assessment of the sustainability of activities to improve communications infrastructure.

Bilateral Actions

8. The Assembly may seek key information from SWRDA by requesting factual information and responses to written questions – in advance of bilateral discussions.
9. SWRDA/ SWRA bilateral discussions will be held on 17th May 2006

PROTOCOL

The terms of reference will be approved by the South West Regional Assembly Scrutiny Panel and the lead SWRDA Director.

The South West Regional Assembly Scrutiny Panel and SWRDA will jointly agree what information can be provided by SWRDA, and which SWRDA contacts will be consulted.

The Assembly will share its plans for the collation of regional evidence with SWRDA and provide copies of any analysis to SWRDA.

Assembly Members will withdraw from the Scrutiny Panel when considering an issue in which they have a specific interest i.e. a conflict may arise where a member is particularly affected by the outcome of an issue.

In accordance with the aim to strengthen regional accountability, scrutiny panel meetings and bilateral discussions will be held in public.

TIMETABLE

The following timescale will be followed:

October 05	March 14th and April 11th	May 17th	June	July	August
Agree Terms of Reference	Regional Workshops	Bilateral Discussions	Scrutiny Panel considers report	Report sent to RDA and other bodies following Full Assembly	RDA response to report

The timetable for this review will allow the process to take place alongside, and feed into, the work currently underway to develop a low carbon housing and fuel poverty strategy, due for consultation in April 2006.

A full report from the Scrutiny Panel, including detailed recommendations, will be published in July 2006. This will be presented to SWRDA, GOSW, ODPM, DEFRA and DTI Ministers and circulated widely.

SWRDA will be invited to respond in writing to the South West Regional Assembly in an outline action plan (format to be agreed) within six weeks of receipt of the final report.

RES Review

The RES is currently under review, and the RES review will be completed during the course of this strategic review. In the light of this, the objectives in these terms of reference may be refreshed subject to the emerging RES to ensure its outcomes remain relevant to the region.

Appendix C

RENEWABLE ENERGY POLICIES AS CONTAINED WITHIN THE DRAFT RSS

RE1 Renewable Electricity Targets: 2010 and 2020

Local Development Documents will include positive policies to enable the achievement of the following targets:

By 2010 a minimum target of 509 to 611 MWe installed generating capacity, from a range of onshore renewable electricity technologies in the following broad distribution:

Sub-region	Installed Electricity Generating Capacity (MWe)
Former Avon	35-52
Gloucestershire	40-50
Wiltshire	65-85
Somerset	61-81
Devon	151
Dorset	64-84
Cornwall	93-108
Total	509-611

By 2020 a minimum target of 850 MWe installed generating capacity from a range of onshore renewable electricity technologies. This onshore target, together with offshore renewable electricity capacity, will help to provide at least 20% of the region's electricity demand by 2020.

RE3 Renewable Heat Targets

LDDs will include positive policies to enable the achievement of the following targets by the use of appropriate resources and technologies:

Timescale	Installed Thermal Capacity (MWth)
2010	100
2020	500