

South West Regional Assembly
Bilateral Discussion on Sustainable Energy
17 May 2006

Introductory Remarks

Ian Munro

**Social and Economic Partner, SWRA
Chair, Scrutiny Team**

I. The Purpose of the Reviews

Good morning, everyone. I would like to welcome our colleagues from the Regional Development Association (RDA) and our scrutiny team around the table. As you know, the Regional Assembly has a duty to work with the South West RDA (SWRDA) and a role to help strengthen its accountability to the region. We have sought to do this through an open process and in a constructive and purposeful way based on topics from the Regional Economic Strategy (RES). These reviews are designed to:

- Examine how effectively the RES is meeting the region's economic needs;
- Assess its consistency with other regional strategies;
- Assess the contribution of all the strategies in making a reality of what we want to achieve in the region, which we do by bringing together these various topics in these bilateral discussions that we are having today; and
- Assess the RDA's contribution in ensuring the success of the RES, both as a strategic catalyst and as a delivery agent.

To help us, we have been able to meet with a number of players over the last few months in preparing us for this review of sustainable energy. We have spoken to regional and national stakeholders and key organisations, and we also sent out a questionnaire, from which we had a good response. The point is to help prepare the scrutiny team and provide a focus for the sorts of themes coming through which we feel stakeholders in the region are asking questions about. We have focused on four key areas: the security of supply for the region, renewable energy, domestic energy efficiency and fuel poverty, and business energy efficiency. The two workshops that we held covering those issues were fascinating and brought home some very hard statistics for us all to take on board.

II. Thanks

I would like to formally record the thanks of the panel to a number of people, particularly all those people who have contributed, both in terms of the RDA team through your preparation and work, for which we are grateful, and all those people who were able to attend those workshops and give

up their time for interviews with the panel. We were very appreciative of that. I would also like to thank the Government Office for providing key contacts. Thanks also to Tony Norton and Peter Connor from Exeter University, who gave us an academic perspective and provided some very powerful research and evidence. Thanks to the Regional Assembly Secretariat, as a tremendous amount of work, energy and effort goes into preparing all the various activities we do in the papers. A considerable amount of work has gone into this one.

III. Next Steps

A full report of the regional strategic view, including our detailed recommendations, will be published on the Regional Assembly website later in the year, as well as a full transcript of today's meeting. The final report will be sent to Government ministers.

I do not think any members of the public are with us today. However, I should state that we believe in openness and although we are happy to welcome members of the public and interested organisations, we cannot give them the opportunity to ask questions of the panel directly. They can put questions down and feed them through to the Assembly Secretariat.

I would like to invite Chris Irwin and Councillor Brian Clements to kick us off. Thank you very much.

Juliet Williams

Chairman, SWRDA

I. The Need for Partnership

I would like to make a brief introduction on behalf of the South West Regional Development Authority to say how much we welcome the opportunity for this discussion, and in particular that you moved the emphasis to a strategic review rather than a scrutiny. This is an issue that is obviously of huge interest to us all, and we all actually have a role to play in taking it forward. We regard this very much as a partnership and are delighted that you would take it in that regard, as well, because it is important at this stage to draw a distinction between what is an RDA responsibility and what is a cross-regional and collective responsibility. We plainly all have to buy into the process and the agenda, and I hope that in that discussion we can be quite clear. Clearly, we will do whatever we can to ensure that the most appropriate solution is sought, but there are things that are partnership issues rather than direct RDA issues.

Since we were instituted, we have spent somewhere in the region of £6 million directly on the renewable energy agenda, and quite plainly that is the principal focus of what we are here to talk about today. I think it is quite important to understand that across the total spectrum, particularly given what the Prime Minister said last night. By the same token, the critical issue is that we look at the collective in terms of the total spectrum because, ultimately, it is going to be about choices, not about necessarily about coming to specific conclusions. As you say, your questions reflect the kinds of issues that we need to address.

II. Critical Issues

Ultimately, this is going to be about leadership. Yes, it will be about economic leadership, but it will also be about political leadership. It is thus very important that we have a consensus view, or at least a view that we are capable of trading amongst ourselves in order to ensure that we are all singing from the same hymn sheet.

Once those choices have been made, they have two important implications. Firstly, whatever the choice, marketing is going to be an extremely important element of where it goes from here. In the first instance, almost whatever choice we have will be an intrusion on somebody's landscape somewhere. Therefore the sooner we start to market that to the consuming public and those who ultimately may or may not have to live with it, the better. Secondly, there is the marketing of the reduction of demand. One thing that perhaps is not here is marketing, which actually might be quite an important output of where we go from here.

I thought it might be helpful to make those few comments, as well as to thank you for this opportunity, as well as for the opportunity of partnership in the spirit in which you have approached it.

Ian Munro

Thank you very much.

Security of Supply

Chris Irwin, Scrutiny Panel Member

As the Chair said, we are here because we have an obligation to look right across the piece and see how all the strategies in the region fit together, including those on which the RDA works so hard. I suppose for me the starting point in understanding where people are coming from is to understand what they mean when they say things. I thought it would therefore be useful to all of us if I just opened by asking you to try to give me a sense of what you mean by 'security of supply' and what that includes.

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

We first of all started to try to understand the definition of 'security of supply' because I do think there is some confusion around it. For us, it is in the first instance about the ability to actually get and then ensuring that supply is not interrupted. It is not about price and the other issues we currently have in terms of high energy prices, but more about the ability to get our energy and ensure that is not interrupted.

That is clearly a very important issue in terms of the economy, now and in the future. However, it actually has quite an important national and international dimension, as we have seen in recent months, given the interest in energy. 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. There are a whole range of ways we can provide that support in terms of trying to maintain security of supply at a regional level – for example, to reduce the energy demand – and there is a lot of work being done on that by partners. We can also try to work harder on meeting our renewable energy components. There is a third element, enabling the implementation of infrastructure, which is an issue that we perhaps have not thought about as an RDA but which is clearly on the agenda. There is also a lot more we can do in thinking through the planning process around delivering some of these large-scale infrastructure projects that probably take longer than even transport projects can take to deliver.

There is a fourth element in terms of supporting national Government, which is actually building the energy sector. We have quite a strong energy sector in the region, particularly around renewables, which we have been working hard to grow. However, there is a lot more that we can do to ensure that our businesses within that sector are more equipped than they possibly are at the moment to deal with the future challenges that we are facing. It is clear there are a range of things around supporting the Government agenda. We can obviously continue to contribute to the national debate, as we have been doing. We have already responded to the Energy Review, and no doubt the outcome of this scrutiny, the outcome of the South West debate that is proposed, and the RES refresh will all help us to be more informed in our contribution to future Government policy on this agenda.

One thing of which we have been made aware in this process – and of which I personally have been made very aware in trying to understand what are complex issues – is that we do not necessarily have enough intelligence about the real facts and figures. I think we would like to ensure that as a region we are a bit more intelligent about some of these energy issues, and so we must build up that research and information gathering a little bit more so we can ensure that our future policy framework within the region, and hopefully nationally, is informed rather than potentially being ill-informed. There are a range of ways we can help support the national Government, which is where we believe the security of supply issue sits.

Chris Irwin

Is it thus about reliability in terms of supply, distribution and promoting greater efficiency? I am just trying to understand precisely where you fit it. Is it following and supporting national Government policy? I spent a bit of last night reading the EU Green Paper on energy, which you know quite well, and you will recall that when the Council of Ministers met at the beginning of March, the Prime Minister went out of his way to endorse the concept of a European energy market as a way of tackling fluctuations in demand. How much are fluctuations in supply and demand key to security of supply?

Matthew Spencer, Chief Executive Officer, Regen SW

I think Britain is going through a transition at the moment from being largely net self-sufficient certainly in gas, and not that long ago in oil, to being an importer. There are therefore a lot of concerns about the position of being an importer, but it is unusual to not be an importer on the world scene; most countries, like Japan, for instance, are massive energy importers and rely entirely on the commercial market for supply of their fuels. Those people who are in that market, like BP and Shell, would say that it is actual normal trading activity and that there are not any big concerns about their ability to supply gas and oil as we need it.

The UK Government has an underlying concern about the working of the market on a European level and whether it is really working as a market should do, or whether it is constrained by all sorts of political agreements between different countries. There does seem to be evidence that is the case: you pay a lot less for gas on the Holland side of the Interconnector than you do on the UK side. There are thus issues for the UK Government to pursue through the EU about the working of that system, but, broadly, the dominant view is that the supply is not a constraint.

What is a constraint in the definition of energy security that Claire gave about network security is the network itself. Is there sufficient maintenance going in to the wires and the pipes? For a region this large, the end of the wires in the pipes is an issue. Is the regulatory regime set up nationally through the Office of Gas and Electricity Markets (Ofgem) and other people to incentivise the district network operators and the National Grid to invest in upgrades, maintenance and so on? All the evidence from around the world on blackouts, which is the consequence of lack of security, is that in nearly all cases it has not been a lack of fuel and it has not been a lack of generation; it has been failures in the network to deliver the fuel or the power. That is certainly the case in California, and it was certainly the case in continental Europe when they had their recent power outages. That is an issue, but it is a national regulatory issue that is quite hard to influence from here.

Brian Clements, Scrutiny Panel Member

To what extent can we make it a regional issue as part of our Regional Strategy? I was pleased to note the response to the Department of Trade and Industry (DTI), which talked about decentralisation. Historically the National Grid was a balancing device; it has now become a feed device. Perhaps turning that back around and moving to decentralisation would improve the situation. I witnessed a power outage in our own conurbation from one fire hitting some pylons, which indicates just how vulnerable we are.

Colin Skellett, Executive Chairman, Wessex Water; Board Member, SWRDA

There are three parts to it: do we have the energy in the first place, can we move it around nationally, and can we move it around locally? A lot of the evidence is that the regulatory regime, Ofgem, has driven a focus more on price rather than making sure the network is maintained for the longer term; that is why they had the problems in East Anglia a few years ago. I think that is starting to be redressed, but there is a case for making sure that as a region we continue to put on pressure to make sure that the network is properly maintained. Matthew is right: in the short term, that is going to be most likely to cause outages.

If you look at the energy resource, however, we are currently about 80% self-sufficient in the South West, but largely because we have a couple of big nuclear stations; when they go, we are going to have a big gap. I think we need to be realistic about what we can do as a region in terms of replacing that resource. 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.

Chris Irwin

You just articulated where I instinctively am coming from. Unless I misunderstood, were you rather dismissing the impact of price fluctuations and the concerns about major users last winter? I

thought that came close to the edge, frankly, and that was my reading of what was being reported in the *Financial Times*, and so on.

Matthew Spencer

It was reported, but I am personally quite sanguine about it. At the moment, the issue is not fuel supply, but the reliability of the system to deliver it.

Chris Irwin

Is the RDA saying to the region not to get excited about the map that appeared in the *FT* on Monday, which talked about the need for a major storage facility at Portland? Are you saying that it does not really matter?

Matthew Spencer

Storage is absolutely key, but that is not price, is it. It is about how much we have in the system.

Chris Irwin

It is not distribution, is it?

Colin Skellett

It is also about the way the regulatory system drives these things. We as a business tried to buy some of the gas networks last year, and what became very clear was that the incentive to increase storage is not there in the regulatory system; that needs to be addressed. You need to have a regulatory system that says not only is this about price, but that ensures we have the storage and maintain the networks. The region should put pressure on the regulator to do that.

Chris Irwin

You did not quite use the term ‘fiddling around the edge’; you had a better phrase. Can you remember what it was? Were you thinking there about investment and renewables?

Colin Skellett

I was thinking about the whole approach to renewables. If you look at the amount, Regen SW puts a lot of effort into trying to promote renewables. Look at the amounts actually being commissioned or which have had planning permission – it is almost zilch. 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.

Chris Irwin

To follow that through, the other thing I did last night was to print the latest RES and read that, which made me feel a little a bit adrift. I have read it previously in various drafts from a transport perspective, but I had not actually put on an energy hat to read it. 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. Yes, there may be some activity in the area of environmental technologies that could usefully be supported, and, yes, there is a case for a great debate, but I am not sure how it all comes together at the core of the RES.

Claire Gibson

I think that is a fair comment. The RES as you read it now is far stronger on energy than previous RESs. We have progressed in that sense and we have a clearer understanding about the contribution that we and other partners need to make on the energy debate, not just focusing on renewables, which is probably where we have been in the past few years. The RES is stronger than it has been, but I think that is exactly why the South West debate has been highlighted. We just do not fully understand this issue, and I do not think that is just us or the South West region, but nationally. We need to better understand what the issues and facts and figures are so that we can have a more informed approach. The South West debate is about trying to get there. It is just a mechanism for better understanding the issues so that in the full revised RES in three years' time we actually do address energy – maybe in a more fundamental way, depending on the outcome of our intelligence gathering. I think it is a fair comment, but we are hoping that debate will better inform a further revision.

Juliet Williams

Whilst energy has obviously been in our minds for several years, particularly in terms of looking at alternative sources – and we as a region were first into a renewable strategy, and, indeed, into the creation of a renewables agency – I think there has been a real step-change nationally in terms of the need to address this. In a sense, we are now caught up in energy as the big issue, and certainly over the past few months we have been very involved with our peers in other regions. For example, the Prime Minister is very well aware that the South East, South West and North West try to understand where the argument and debate are and how better informed we can become. In many respects, in all parts of this agenda, it is very much an information-gathering exercise to try to understand where we should be positioned, where very limited funds and investment should actually go, and how we can actually contribute to the debate.

One of the things Colin said, which I think is very significant, is that whatever our ultimate choice and whatever choices we make in terms of the portfolio of solutions, we collectively are going to have to accelerate investment to make any impact at all. Certainly the solutions we have right now are minimal in terms of the contribution they make to something that is a much more robust solution going forward. I think you are absolutely right to raise the question, but I think that if we were to take the RES on today, we would be giving it slightly different input.

Chris Irwin

I wonder whether this is not actually one of the better illustrations of your partnership thinking. If I think about where the potential for regional interventions are that would impact on energy, the things that you have been doing and which you might do include transport, which I am conscious accounts for something like 30% and is very much a Regional Assembly-driven matter; planning issues, whether it is about wind farms or, presumably, the coming row on gas storage facilities or biomass; and carbon neutral housing development. In a way, to look to the RDA to deliver is unfair. I am trying to make a point about partnership.

Juliet Williams

I could not agree with you more. I have a press cutting here about the summit our Beacon group of businesses, which is basically a peer learning group, held at the Met Office to look at deficiencies and the way in which they could start to begin to mend them as part of this whole agenda so that the partners extend far beyond us, as it were. That is why to endorse partnership in this review process is hugely to be welcomed.

Chris Irwin

I would like to ask one more question in this area, and Claire knows my concern on this. Given that it is a vast field and there are many potential players who impact on energy activities, and given the scope for RDA intervention is necessarily at the moment limited to certain things – you only have finite funds; even if you spend £6 million – what is your appraisal methodology? By what process do you decide to spend this amount of money here and that amount of money there in terms of delivering whichever of the RES objectives it is that you are pursuing?

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

We have our targetry framework, we look at various things within the corporate plan, and we look at the amount of money available and the interventions which we need to make to secure the best outcomes for our capital resources. We obviously look at that on a regular basis, and if our investment has been skewed too much towards one particular theme, then we will look to redress the balance. It is not a fine art, in that sense. We have to look across the range of all the projects at which we are looking at across all of the corporate planning teams and across all of the interventions, and appraise and adopt a very rigorous appraisal methodology to every single intervention we make. That obviously churns out a number of projects that we are content to support, or a number that we are less content to support, based on a number of criteria, whether value for money, environment or whatever.

There is always an argument that you can put more into one particular theme or that you might have gotten better value for money from a subsequent project. Of course, hindsight is a wonderful thing, but if you adopt a stance whereby you say that a better project might come along further down the line, you end up never doing anything, and that would be a bizarre way of approaching things. We do have a rigorous appraisal methodology; we do have our corporate plan, which flows directly from the RES; and we do have regular reviews in relation to how we are hitting our targetry framework.

Chris Irwin

What worries me is that when I read the refreshed RES for tomorrow, taking the point that we are in a dynamic situation – you cannot see now with absolute foresight where you need to be – if one were to be of the view that energy has risen up the national and European agenda so fast and so massively that we almost ought to be clearing the decks to get things done, suppose someone comes along with a project – the Severn Barrage is the obvious one – and says, ‘We really need someone to drive this’, what processes do you have for evaluating that?

Juliet Williams

When I first came into this three-and-a-half years ago, I had nothing to do with this at all, or with the RDAs in any shape or form. Perhaps as a businessperson, the thing that strikes you more than anything else is just what a small percentage of the public purse you are actually dealing with – it is something like less than 1%, and probably less than less than 1% in our case. Every day, you are making choices. You are never, ever going to please everybody. You are never going to make a choice that is unassailable or decisions that are totally defensible. All that you can do is to be as well informed as you possibly can in making those kinds of judgments. For example, where would you actually put employability and worklessness alongside energy or a whole plethora of other things which are not comparable? You cannot make the choice between one and another. What you have to do is to create as robust a platform as you can to maintain the economic value, development and progress of the region going forward. Whilst in many respects I would like to be able to clear the decks and take energy as an option and put in all the £180 million, or whatever it is, you cannot do that to the workforce, to communities or to those who depend on us for support in other kinds of ways. What it ultimately boils down to is that we have as robust and well informed a process as we can muster within the budgeting framework that we actually have, but the choices we make will always be questionable from one quarter or another. All we can do is hope that we get the best fact or do the best research that we possibly can in delivering to it.

Colin Skellett

Coming from outside, I think the processes are very robust. It is fair to say that in the energy area our initial focus was on the economic opportunity for renewable energy; we just have to recognise that we are not responsible for everything in the region – other people have responsibilities, as well. Our focus on renewable energy was mainly from the economic opportunity that could come along from it. I think you are right that security of supply has risen up the agenda remarkably quickly; two or three years ago, I do not think any of us were really worried about it.

Chris Irwin

It must respect that there is no employment if that goes really wrong.

Colin Skellett

Exactly. These things are changing, which is why the focus is changing. Looking at the actual appraisal process that goes on within the RDA, it is a mind-boggling, tortuous, effective process.

Colin Molton

The appraisal part of the business planning process is a continual process within the RDA, so every time there is a new idea or concept – like, for example, the Severn Barrage – that clearly comes onto the radar screen, which is looking ahead within the corporate planning period, which is three years ahead, about what might be the priorities going forward. We all know that lots of projects take quite a long time to develop, so it gives us quite a long time to do the feasibility work and plan for the future towards where there is more headroom in terms of resources looking forward. That business planning process is key to the changing directions which we need to adapt to and respond to over time; energy is clearly one of those areas.

Clearly, there are other internal mechanisms to flag these issues – there are various board advisory groups, a cross-directorate environment group which looks at some of these issues, and lots of processes feeding into our intelligence in the centre as to where we might be doing business on these issues in the future.

Finally, this is not about picking out one element of the energy agenda. We are almost regarding this as a cross-cutting theme, and we have been giving you a lot of examples whereby through other mechanisms; The Way Ahead and its implementation is one example of that. We would be looking at all of those energy issues to try to encapsulate the best practice and outcomes we are all seeking to achieve through that mechanism. There are others that we can point to, as well, and so it is not just about that bespoke, siloed agenda; it is about how we deal with energy across all of our activities.

Dominic Vincent, Environment Manager, SWRDA

To take that cross-cutting theme, one of the issues is that energy cuts across all our drivers, including the environment driver, innovation in things like the wave hub, and skills. One of the frameworks is the Environment Driver Implementation Plan, which looks at our intervention on environmental technologies for economic benefit, of which a subset is renewables, and at business support, which is the resource efficiency agenda. Once again, resource efficiency is not just about the energy component; it is also waste and water. There are a number of themes and ways in which decisions are framed with regards to the energy agenda, which as Colin rightly said is a cross-cutting theme that crops up in many areas of intervention and investment.

Brian Clements

I am conscious that we are looking at quite a narrow area in the continuity of supply issue. I am really pleased to hear about the developing nature of the RES. I was quite concerned to pick up one phrase which talked about the need for sustainability, but that meanwhile the region should pursue practical solutions, such as improved broadband connectivity and logistics, which almost implies ‘impractical’. In terms of actually delivering, the RES talks about promoting sustainable energy supply by implementing a regional renewable energy strategy and developing the regional sustainable energy strategy. What is the state of those two items?

Claire Gibson

We have a renewable energy strategy, and we have for a few years now. We were the first region to have a renewable energy strategy, and, in fact, I think it was referred to as forward by the Secretary of State at the time. It is a good national exemplar. We have that, and slowly the region is implementing it. If you are interested, I am sure Matthew would be able to help you to understand a little bit about how we have been implementing that.

The sustainable energy strategy is work that is ongoing at the moment, but I suppose it is actually being led by Government Office. The idea was that we would have a regional renewable energy strategy, but then what about the rest of the energy mix? There was a particular need to look at the housing agenda, particularly in terms of fuel poverty, so there is some work underway now to almost develop a strategy on low-carbon housing and a strategy on fuel poverty. The sustainable energy strategy notion, as I understand it, is to have an overarching statement that tries to bring together the renewable strategy and the housing fuel poverty strategy, but it is ongoing at the

moment. There is not one at the moment that we can point you to, and it is work that is being led by Government Office, but the Assembly, the RDA and Regen are all involved.

Jonet Waldock, Head of Environment, SWRDA

For that strategy, we are actually undertaking a body of work on the business resource efficiency side because that also feeds into energy efficiency; you therefore have a more rounded domestic energy efficiency and business resource efficiency, including energy. Those two pieces of work are being coordinated very closely so that the way that the data is collected and the initial findings are coming out are being discussed with the Government Office and the consultants they are using, and us and our consultants to make sure the two can fit together to make that sustainable energy strategy.

Juliet Williams

A key point here is that covers a very wide spectrum of activities, with renewables being just one part of that. As I understand it, Government Office would expect to be able to publish something in the autumn.

Claire Gibson

They are working towards having some of this being concluded by then. For me, personally, having gone through this exercise on the strategic review with you has opened my eyes a lot more to the broader range of issues. I think we will certainly go back and talk to partners about whether we have enough to encompass a sustainable energy strategy. We possibly do not, but that is something I have picked up from this.

Matthew Spencer

I have been part of the discussions about how to take a regional sustainable strategy forward, which started about a year ago, and the feeling then was that if we started by trying to pull together in partnership a sustainable strategy, there was a risk that it would lack substance because we did not understand well enough the issues on energy efficiency. We had a clear view about the issues on renewables, but not energy efficiency. Under Government Office tutelage, we agreed to focus on the detail of those strategies first before trying to pull together an overarching framework. I think that is what is being done on the low-carbon and fuel poverty strategy, which deals with the domestic sector. That is now very advanced and has some flesh on the bones about what could actually be done on the ground to get a scaling-up of energy efficiencies delivery. That was a choice whether to start by writing the overarching document or to do the legwork on the detail of what had to be delivered first.

Ian Munro

Chris, is there anything that you want to conclude in that section on security of supply?

Chris Irwin

Since Claire is here, I would like to point out that you have now seen why transport policy is clearly so closely linked to regional energy strategies.

Claire Gibson

I think we did see that at the time when we were discussing the scope of this; it was just about how much we could actually deal with in one day and through one strategic review. However, I understand we are going to be looking at transport in the next round, which I look forward to.

Brian Clements

I would like to make one point around continuity of supply. The recent failure was actually a civil emergency situation where in our case both Bournemouth and Poole local authorities ceased to function for a day because of a fire. Decentralisation of supply could actually have provided an answer to that, and I am asking our authority to look at that. That is one of the issues to be taken into account in terms of looking at renewables and alternative sources.

Juliet Williams

In some respects that is part of what Colin Skellett said earlier on that it is actually about making sure that the wires and pipes are themselves capable of delivering within local, regional and national circumstances.

Brian Clements

On our part, it is something the local authorities do.

Colin Skellett

As businesses, we are taking a much different approach to the security of supply than we would have done five or six years ago.

Chris Irwin

Thank you for defining security of supply, which I found very useful. I would also find it helpful if you can lead us into thinking about what a low-carbon economy really means in practice and how that also might influence the RDA's wider activities.

Jonet Waldock

There are a number of different aspects in terms of a low-carbon economy. Looking at the demand side, there is a lot that is being done within the RDA on sustainable construction in terms of identifying at an early stage what energy efficiency can be put into new builds, and ultimately what renewable energy can be put to use. There are a number of aspects to a low-carbon economy: it is not just the renewable aspect; it is also about reducing the demand.

Colin Skellett

It is actually very difficult to do. In my day job we do lots of projects across the region, and one of the evaluations we have started doing with [inaudible] is actually looking at the things we build in terms of their carbon footprint. It is whole a combination of the construction, the ongoing running and maintenance – it is a not simple thing to do, and what we need to do is to build the

mechanisms. We are still developing mechanisms for our own purpose because engineers do not like to do these things; they like simplicity, and you have to provide them with simple tools they can use to enable them to make clear comparisons. It is an area that is evolving quite quickly, but we do need to have that information in order to make the right judgments.

Juliet Williams

There are basically three areas. It is the engineering itself, which determines the application; it is the commercial element of the business circumstances and the way in which the engineering influences the decision-making processes; and it is the will, because will at this stage is particularly important. Just as important is the domestic issue around acceptance, consumer responsiveness, and the fact that only some of the engineering is available, at least on a broad scale. By and large, the construction workforce or the construction industry would only be exposed to some parts of it and will not necessarily be exposed to the kind of the research being done in terms of materials and technical solutions.

Colin Skellett

A big piece of work around information and education must be done because, on the whole, I find that businesses are quite keen to embrace this. Individuals are quite keen to embrace this, but people do not know where to go to get the information, which is not readily available to them. There is a big piece of work there to be done.

Juliet Williams

I was talking at this meeting I had in Westminster last night about the £60,000 sustainable house. Yes, it exists, but, at the end of the day, it is not yet sufficiently scalable as an engineering solution to implement in the way in which one would seek. The answer to the question is a manifold number of issues which actually say that we need to know more than we do.

Ian Munro

I have three questions from Mike, Howard and Chanel. Any complementary questions to security of supply would be helpful.

Mike Bawden, Scrutiny Panel Member

The first point I would like to make is actually how dramatically this particular issue has arrived on the national scene in the six months that we have been working on it. The other point I would like to make is that when we had the initial presentation at the end of November, all of us were absolutely staggered at the security of supply problem generating nationally, and I think I would like to thank Juliet in particular for making the point that we need to work together in partnership. I think this is a golden opportunity for the two organisations which represent the South West to actually work as closely as possible together. I look at both organisations to drive this.

We have to communicate in the South West with the residents and the business community. It is absolutely critical because we need to get over the fact that we have a real problem coming down the line nationally, which is coming down to the local situation. I feel very strongly about that. I would also like to make the point that Chris and I were difficult back on 30 November when we

were talking about transport problems, and I think we are delighted that is back on. The other thing we were difficult about was the Severn project. What has happened in the past six months is that the Severn is now live, and I think we will need to make that point in our report. From the way in which people have responded today, I think we all agree on that. That is an absolutely critical area.

As far as things like planning are concerned, we can cover that in renewable energy because we do have a particular problem in local government. I would like to say how delighted I am that we seem to be so close together on this. This is a golden opportunity for us to enter into what I call an entirely new environment of working totally together on this.

Ian Munro

Not quite: I think we have worked together reasonably well.

Howard Thomas

I would like to ask about responsibility in connection with security of supply and leadership. Listening to the minister, Malcolm Wicks, in his introduction to the energy review and taking account of the Prime Minister's taking the thing by the scruff of the neck at the national level, does the RDA think we have a lack of responsibility and leadership at the regional level? In other words, do we need a regional energy tsar?

Juliet Williams

No, I do not think that we know in what direction we need leadership. The problem is that we have to collectively determine the direction in which we want to go and then take the most appropriate course of action. I do not think there is any group of us, whether it is local government, national government, the RDA or anyone else, who does not have a role in this. However, I think determining what that role is, where the partnership therefore needs to be taken, and the kind of information and sources of information supply that it needs in order to create that direction is something that by sitting around this table today we are actually moving towards. I do not think there is an answer today, but we all need to take responsibility.

Chanel Stevens, Scrutiny Panel Member

In any discussion about renewable energy in the South West, the first question the man on the Clifton [omnibus?] is going to ask is around what you are doing about the Severn Barrage. In terms of bang for buck, all the issues we are going to discuss today will be knocked into [inaudible] by the potential benefits of the Severn Barrage – greater, for example, than the two power stations we have. I am very pleased to hear that you take the view that it is important for yourselves to look at what information we are basing our decisions on, and so given our specific South West animus I am going to ask what you have done specifically in looking at the feasibility of the Severn Barrage. I know that is a controversial question, but I think the controversy that arises over Severn Barrage is not so much over technology, predictability or possibly some questions about capital costs; the crucial question is about the environmental concerns. Given that there is a huge amount of information out there – I refer to Laurence[?] and studies from the University of Gloucester and so on – in terms of bang for buck, I cannot see a better involvement for the RDA in actually trying to find out what would be the environmental impact of the Severn Barrage. In terms of climate change, what would be the impact of not building it in terms of the damage that we would do to the rest of the economy in the South West? Finally, I think another huge aspect of the Barrage the

RDA needs to look at is the comparative cost between the Barrage and nuclear power in terms of the economic effects, the transport effects and tourism – all the other knock-on effects that the Barrage would have. That is the sort of thing I think that members of the public would ask. What has the RDA done, or what are they going to do, to facilitate that?

Ian Munro

I think we picked up through the various workshops a growing interest in this area. It has always been there, and a number of our colleagues on the committee feel it is perhaps something on which we need to appraise you and get your immediate reaction. It is not one you can solve today, but has it been in the thinking? Where does it fit?

Colin Skellett

As you know, we have been heavily engaged in talking about the Severn Barrage; indeed, a number of us were at presentations yesterday when we were exploring Severn Barrage in more detail. In summary, there are not any engineering problems; it is engineering capable and produced 17 terawatts of power, and it could produce 50% of the South West's needs if we do not sell any to the Welsh. I do not think the environmental issues are key; those are solvable given that all you are going to do is change the tidal range by about seven metres. As Matthew pointed out, climate change will do that for you over time.

I think the big issue is to understand the economics and how they compare with the alternatives. My view is that we need to get the DTI leading on this, as well. We should be focusing on some studies to understand the economics, the true comparators with nuclear and the other options open to us. In reality, in the South West it is pretty straightforward: improve energy efficiency, push on the renewables we have, and do something big. 'Something big' can only be either the Severn Barrage or nuclear, but we need to understand the true economic comparisons and the sustainability comparisons. The numbers we were given yesterday stated that it would cost about £20 per tonne of CO₂ saved, which is quite expensive, if that is correct. My view is that we should move forward pretty quickly with some economic studies, which need not take forever, to make these comparisons, which is precisely the point that you are making.

Colin Molton

Partnerships always work better when there is something to do and when there is something tangible that other departments can really work on. I see this as being one of those opportunities where the Welsh Assembly, the South West Regional Assembly and the RDA can work together with DTI on a project which we clearly need to learn a lot more about. We need the information and the evidence, and Colin has just articulated very well some of the aspects of that. There are a whole host of issues we need to explore, but we need to do it in a collaborative way. The interesting thing for us to discuss will be how we get that regional buy-in to acknowledging that we need to do that work now, and we are certainly keen to progress that.

Claire Gibson

I think what is important here is to understand the significance of this proposal. It puts it, therefore, on a national playing field and this is a national issue, which is why we have been saying to DTI that they have to look at this as part of their energy review; I understand the Welsh Assembly have been doing the same. We will then work with them in reviewing what the issues are, principally

thinking about the economics of such a proposal. I think we have to get national Government to be working with us on this; otherwise, because of the significance of this infrastructure, the costs and time involved, I do not think that we will be capable as a South West region – and, indeed, with the Welsh – of actually delivering it. A lot of time could be spent on doing studies, but we do not have that national buy-in. That is one issue.

My other comment is a note of caution. It is a major scheme and it would take a very long time to build – we are talking about 2018 before it could be up and running. That is a long time away. Meanwhile, we have a problem today, and so the concern is that it might deflect attention from what we are trying to deliver today in terms of renewable energy, and we have some real issues. I would not want the Barrage to take away from the challenge we have around wind, biomass, marine energy, about which we can do something today.

Juliet Williams

In a sense, the team is saying that there is a three-part answer to your question, the first of which is that, yes, we need a lot more information, and we need to look at the cost benefit of these things and the points of comparison of the two major players. Secondly, this was the subject of half of Sunday's *Countryfile* programme, which is obviously a national programme, and the Welsh Assembly were pretty vocal in terms of its commitment to pursuing it as an option and as an opportunity. Thirdly, in many respects, taking on what Claire said, the costs and opportunity will quite plainly need to be considered nationally, and in fact it has actually been said to me in a national context. It may well be a lobbying exercise more than anything else to ensure that it is part of the national agenda. That may answer your 'distraction' issue.

Colin Skellett

Coming out of this jointly there should be real pressure to carry out the essential studies, which I think we need to carry out to be able to answer the questions. However, I do not agree that such studies would take years; it could go much more quickly.

Ian Munro

Normally when we do these reviews we have a report with recommendations. This topic is so far-reaching, however, it became clear to us there should be a supplementary document that pulls together a lot of that evidence and key things that have come through. It would be a shame to lose that. I am sure this will feature somewhere in there, as well.

Juliet Williams

We must not forget lobbying as a potential outcome.

Ian Munro

Thank you all very much for that.

Chris Irwin

To reinforce what everyone has been saying, I find all this extremely useful. I will just draw out four things that have struck me. One is that having been told there is no golden bullet in this area, I suspect there is a view around that there may be a golden bullet to be looked at – one of a number, perhaps. The Severn Barrage has emerged in our discussion up to now as perhaps slower moving than some people would expect, but just put that little marker down. It does seem to be coming out as the big thing, whereas when we started the big thing were actually the *Western Morning News*-inspired campaigns against wind farms. We have all moved on as a region.

Secondly, picking up Colin Skellett's point, I think there is need for appraisal, but there is also great need for clarity of appraisal judgments about methodologies and the issues that go into forming appraisal. That really needs to come out, and I am not sure I get that at the moment from having read around the subject.

The third thing, again adding to what Colin said, is that the Severn Barrage is an economic issue, not principally an environmental issue; I take this as an example, not an absolute. I also think there is another factor: this is potentially a spatial issue of the most enormous magnitude. What do you do if you join up South Wales with Somerset, apart from making it easier for Chanel and Claire to get back to South Wales? There are spatial issues, and therefore we have to work as a region.

The fourth point is to absolutely endorse what Juliet said about lobbying. We get nowhere if we do not lobby, and we get nowhere if we do not lobby with a single voice.

Juliet Williams

May I take up one other point here, and issue that Chris just raised?

Ian Munro

I really do not want to open this up again.

Juliet Williams

This is an overarching issue about media and marketing. Once we decide what the outputs of this whole debate are, there is a real opportunity for getting the media together and starting to reopen the debate, but on our terms, not theirs.

Ian Munro

That is a very good point; thank you. Thank you for that very good opening debate. We are going to move straight into renewable energy because they do fit so well together. I will ask Saxon and Chanel to lead us off.

Renewable Energy

Saxon Spencer, Scrutiny Panel Member

At the renewable workshop, our academic colleagues in their presentation were suggesting that this whole issue of sustainability was very urgent and that there is not a lot of time to try to address it, and Chanel also mentioned the word 'climate change'. When we are looking at how we work together, what we can do and how we can lobby, we must certainly tell that these issues are urgent. This part of the review is very much coming down from the macro to the micro level in how it looks at how the RDA was promoting and supporting renewable energy schemes. It would be very interesting to know whether you feel you have achieved good results – economic, social, and environmental – from the investments you have already made. We have heard £6 million has been devoted to promoting renewable energy projects. What is your assessment of the value and what we have learnt from that? It is very important that we are learning what works and what does not.

Colin Skellett

I chair Regen SW, set up by the RDA in 2002, which I think has been really successful in galvanising a focus on renewable energy. We now have 250 members, so it is a membership organisation as well as something funded by the RDA. If you ask whether we have been successful in terms of the amount of renewable energy that has been developed, the answer so far is 'no', because we have not. However, because we have a limited amount of resource available to us we started with a focus on wind, the technology for which is there and proven. Some of the benefits are therefore taking time to come through.

We have also done a lot of work in working with planners, to educate and persuade councillors about the benefits of wind and to take the challenge with us, as well as to develop protocols that can be used by the councils. 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.

We then moved on to tidal, into wave, and you are probably aware that we are developing through the RDA a wave hub, which is going to be a test bed to enable businesses to come and test their wave devices. This is going to be a first for the UK and will attract a lot of attention internationally, as well. We are also moving into biomass and looking at more demonstration projects in that area, and more recently we started to focus on micro-renewables.

There is a lot of activity going on, and this is one of the areas where we can say that the RDA really has made a difference. The vehicle for doing it is interesting because we have not done it via a department of the RDA; we actually established Regen SW as a separate business. It is a company. I think that is a really good model because it means you have a board, and that board is responsible both to the funders and to the members. The board then focuses on the things that really matter in the South West and to the people who are playing a part in the South West.

The last thing I would say is there is a real opportunity not just to improve sustainable development in renewable energy but to create some real business opportunities. The study that was done for Regen concluded the renewable energy market could be worth between £300-500 million by 2020 and could be employing 10-17,000 people. 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.

Saxon Spencer

We met with Regen SW and were very impressed with exactly what you are saying, but when we went to Bristol to speak to one of the businesses, they said that wind power firms no longer saw the wet South West as an area where they were likely to succeed and were moving elsewhere. It does look as though we have missed an opportunity in that respect because of this difficulty of willing the ends but not the means. I think we have an enormous problem. In the RES, we do talk about meeting our renewable targets, and we know at the moment there is very little chance of that because we are also selling the environment. As soon as you have a project, people say, 'Ah, but your policy is to preserve the environment, and therefore we cannot have this project'.

Colin Skellett

All the evidence is that people like wind farms when they have them.

Saxon Spencer

They are being turned down and they are having to go to appeal and that is expensive; therefore, people are not going to invest – at least this is what we were told. For every year it is delayed, it seems as though it is slipping into a habit of you turning it down because of the local opposition, and then it goes to appeal. That is not giving us a good reputation as leading edge, which I think we could be.

Juliet Williams

This is a point we were trying very hard to make earlier on. At the end of the day, intrusion – whatever that might mean and however you might or might not feel about it – is part of what we are ultimately going to have to live with as pollutants. Planning, consumer responsiveness and public perception, whether it is a biomass plant, a windmill, or whatever, is actually part of where we need to go and the kinds of solutions that we have to find.

Colin Skellett

Matthew, how many schemes have come forward in the last few years and how many have been approved?

Matthew Spencer

14 utility scour[?] renewable schemes have come forward in the last three years in the South West, and three have been approved at committee. The rest have either gone away or gone to appeal. You are absolutely right: the South West has a reputation for being a difficult environment for utility scour renewables. However, I do not think we have missed the boat, and the conversation is ongoing. We talk to both wind and biomass wave developers all the time, and there are some great strengths to the South West, not least of which is the fact that we have a regional approach to renewables. We have people who can give them a detailed understanding of what is going on in the South West, given that it is made up of many different parts, many different local authorities,

and many different attitudes. We have a very strong electricity network, unlike some other areas of the UK, like Scotland, where the majority of wind development has been over the last few years and where developers are now having to wait six or seven years to get a grid connection to sell the power from their schemes. So, there are developers who constantly come back and re-examine the options in the South West.

One of the things that contributed to the bad reputation of the South West was the *Western Morning News* campaign. The editor has changed, and when the new editor came along to our wind developers' forum in Plymouth two months ago, he was incredibly open and positive. He said he did not like the campaign that had been run in the past – he thought it was bad journalism – and whilst he was never going to give anyone a free ride, he was committed to balanced reporting. I think there has been a definite shift in their reporting, which in turn has affected the way the rest of the region has perceived the issue, I think.

Saxon Spencer

If we have a collective view about what we are trying to achieve, what can the RDA do? Is it something that we need to do as a partnership?

Juliet Williams

Very much so: it really is a partnership issue around everything from planning to consumer confidence to ensuring that we find the right solutions. Underpinning all of this has to be that we do not have a solution for the sake of it; that ultimately we get as close as we can through research that informs the process to ensure that whatever we do come up with is something we should then be defending. That is where I think Matthew is right: we have not missed the boat because the further the debate takes us towards the most cost-beneficial solution, then that is actually the most appropriate thing for us to pursue. I think we are still learning.

Saxon Spencer

We had a day in Devon where we looked at wind farms and the anaerobic, but of course we passed by Winkley, where not a single politician voted for the biomass, even though it was recommended by the officers. What can we do to get more interest? I am just a lay person, but to me there seems to be some synergy between the concerns over an agricultural system that has lots of problems, but we do not seem to have won any hearts and minds. Have you learnt lessons from that? Do you have any demonstrator projects that you are going to pursue?

Juliet Williams

Again, I think it is very much a partnership issue; it is very much about having learnt a few lessons about how hard it is going to be to actually bring in the public – or a variety of publics, whether it is local government or local communities. We had to get through the learning process in order to be able to learn that, and now we can actually start to put together a marketing or perception management awareness campaign of some sort that starts to address exactly what you are talking about. That, for me, is very much a partnership issue.

Colin Molton

I think there was an interesting development yesterday in relation to the statement of need that was made around the planning issues. I think we ought to think very carefully about that concept, as well, and whether that can be looked across other major infrastructure projects where there is clearly a need, which is probably outweighed by local interests. I think that is something that from a planning perspective we ought to work closely with the Assembly on and see what opportunities that might provide for us.

Matthew Spencer

There is no doubt that district councils in particular, which receive the majority of these applications because they are mostly rural, have a very difficult job in assessing multi-megawatt power schemes. I think there are a number of things we probably have to do to help in that process. I am slightly more optimistic in the sense that a few years ago it was a bit like a turkey shoot for renewables development to go before a district council; there are now at least two or three councillors in every committee who are prepared to stand up and say they think it is worth considering properly because of the climate change issue, principally. That was the case in Winkley at Torrridge – two or three councillors from Torrridge District Council voted in favour, which is quite a brave thing to do given the campaign that had been run.

There is probably something we can all do to support those people who feel that they have gotten to the point where they understand the issues well enough to be able to vote in favour of some good schemes – I am not assuming that all schemes will get through. 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.

One of the things we would be interested in exploring is whether there is more that Regen could do to provide support, information and the latest intelligence for a grouping, whether it is informal or formal, of councillors, particularly district councillors, who have gotten the message and are looking for ways of improving and staying up to date with the knowledge they have and knowing about what else is going on in the region. That is something we could do.

Saxon Spencer

That is an excellent idea. Of course, the committee I was referring to was the strategic authority of the county council. One of the things I remember talking about coming out of this was that because of the grid issues, local communities do not see any direct benefit, and we would be interested to hear about specific projects where it is possible for there to be more direct benefit. We are not saying it is going to save the world, but it is actually going to have a benefit for your own community.

Claire Gibson

We have learnt a lot from Winkley. 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. A

lot of our work is with communities and local partnerships, be it a major regeneration project in Plymouth or a major science proposal in Bristol, and so we need to be a bit smarter in getting that buy-in and working with communities so that they can see those direct benefits of that proposal, and hopefully it has a smoother ride through the planning system. There is a responsibility on all of us to do that; it is not something that the RDA or Regen can do alone. Maybe through Matthew's suggestion we can pursue working with some of those braver councillors that we have.

Saxon Spencer

We are concerned about not meeting the targets. Is there anything you have specifically? I think we know why there is a problem. Is the RDA actually doing more?

Claire Gibson

Unfortunately, in many senses meeting the target is going to be dominated by wind, so it comes down to the planning approval process. I do not think we, working with Regen, can do that much more other than to continue what we are doing and working with councillors to help and to make those informed decisions. In a sense, the control and responsibility lies with local authorities to start making positive decisions. If the amount of megawatts that are in the planning system at the moment are all approved, we could meet our target.

Matthew Spencer

Not quite. Some counties can still meet their individual county targets, which was the other issue I was going to raise. Obviously, planning is a big issue, but there is also the issue of the levels and number of projects coming through, and, as a region, we still do not have enough. We are still not attracting enough investment for individual schemes. One of the things we have been trying to do is to court the renewables industry and give them the support and confidence that we have something good and can help them deliver it.

Colin Skellett

It is the chicken and egg. We had a few approved, but could not get them to commit.

Matthew Spencer

We go to the British Wind Association conference every year with a stand and say 'This is what we have in the South West, this is the resource, this is what we know about different council attitudes, and this is the process we would suggest you go through'. We are out there doing the selling job, but it is undoubtedly true that our case would be more convincing if we had a unified voice coming from the region.

Juliet Williams

There are a couple of other things in support of that. Maybe what we need to do is promote the winds much more, and where planning permission has been granted on the one hand, but actually not just going to the industry but perhaps inviting application from those outside who can in partnership, whether they are land owners or whatever. Maybe on the one side it is planning, where I think we all need to work much more, but it is also promoting the opportunity and the fact

that we may well fall short unless other people come forward. That becomes something that could then reach much greater public awareness than it does at the moment.

Saxon Spencer

There is a tremendous amount of interest in wave power, which seems to arouse less of this gut reaction.

Juliet Williams

It is less tested, of course.

Chanel Stevens

I am actually a perennially optimist, if you want my personal philosophy, and I am not going to take the cynical view what David Cameron has been doing recently; I welcome it. I think there has been a change even within the last year in the climate, and I hope that sort of local resistance will begin to ebb.

I am also very keen about the fact that one in six of our jobs in the UK are based in the South West, and I look to energy regeneration. I would like to hear what you have to say about that in particular as a leader for the South West and sell it as that point. I am also very keen on your idea of giving more information to local councils. Have you got any more demonstrator projects planned to feed into that issue? Are you doing enough at the regional enterprise – a range of technologies other than hail, biomass and wind?

Claire Gibson

There are a number of things we could tell you about. You obviously know about wave hub, which is being led by the RDA, but we hope to get other funding partners. We are going up to see DTI on Friday to persuade them that it is a good project in which to invest. That is going fairly well, but that is still long term and we still do not know whether the devices are going to work. In terms of meeting targets, that is really a longer-term gain. Hopefully we will be able to see those economic benefits to which you are referring off the back of those projects in terms of jobs and developing the supply chain around wave energy.

The board also said some years ago they were interested in looking at tidal, and so we have been working closely with what is probably the leading tidal company in the UK, Marine Current Turbine, based in Bristol and who have the prototype at Lynmouth. We have recently approved over £500,000 investment in some feasibility studies to try to ensure they develop their array to test their machines before they can prove they are commercially viable here in the South West and not, for example, in Ireland. That is another project we are doing.

On biomass, we have been working very closely with Regen, which has given us a lot of advice on how to approach biomass more strategically. The board wanted to support biomass demonstrated projects, and we initially thought we would support those projects that were receiving a DTI capital grant, of which Winkley was one. As I said, we learnt a lot through that approach and are now taking a slightly different approach and looking at it across the board, not just in terms of the actual technology, but also the supply for a biomass plant. We have a programme that is nearing completion now in terms of being fully scoped out and that we are hoping to actually develop,

again with the DTI, who originally about 12 months ago were very interested in match funding our investment in biomass. They have been waiting for Sir Ben Gill's Biomass Task Force to conclude its work, and I think it is still fairly positive in that we are hoping that the programme we have developed will fit the Government's new approach to biomass. That is coming on stream and will include a range of support for actual feasibility studies for smaller-scale demonstrators right up to working more closely with the farming community to ensure that we can supply biomass.

We were pursuing another demonstrator project at Morlands, near Glastonbury, where we have a large regeneration project predominantly around employment space development, but an integral part of that was a combined heat and power plant, which was going to be at one of our demonstrators; that was consulted on and the community were all brought in to it,. Unfortunately, it required a supply of waste and the decisions that were made at Somerset County Council were such that this facility no longer formed part of their strategy for dealing with their waste generation, and so it is therefore not viable. We will slightly tweak our approach to Morlands.

Colin Molton

There are a couple of other nuances to that. Right at the very beginning of our activities, we wanted to support businesses in the South West in the sector. We built the Tolvaddon Energy Park in Cornwall, which were incubator units for businesses in the energy sector. That filled up very quickly with businesses, and we tried to maintain that requirement in terms of the use of that space.

Our input on the wave hub is not just about the infrastructure for the demonstrator itself, but the supply chain. We will be looking at investment in the regeneration of hail[?] as a whole and looking at the employment space that can be made available to businesses in the renewable energy sector. That is another very substantial investment that will come on stream in the near future.

We are supporting companies. Another example is Seacore in Cornwall where we are investing a very substantial amount in providing premises for businesses to expand in the wind turbine sector. There are lots of examples of that, both large-scale and smaller investments, which are over and above the core funding that goes into Regen SW.

Of course, moving forward we will be looking at new and innovative ideas to put into major developments at which we are looking, areas where we can look at eco-homes and renewable energy solutions within those developments, and we are very open to new ideas and investing in those communities because it is all about sustainable communities in the larger sense. We are looking at the development area in Swindon; we are looking at new settlements; and we have been looking at other developments to try to put in some of these solutions. They have not always worked, but that is part of our role – to take a few risks, to see whether or not these things are viable, and, if not, we can move on to another solution and share the lessons learned.

Chanel Stevens

Following on from that, is the production and use of renewables mainstreamed at the RDA-driven activity? For example, how many RDA sites have built integrated renewables and use renewable energy? In a sense, we are looking for that golden thread through all the RDA projects.

Colin Molton

The golden thread is certainly through the sustainable construction charter, where we are looking at a whole range of initiatives, not just renewable energy, but the use of materials, green travel plans, and skills development within projects. Our intention was at the very beginning to have a portfolio of projects we could point to and publicise as exemplar projects. Now, not all of those projects exemplify every aspect of that agenda; it is an iterative process and you have to move on and improve with every development. We could point to a whole range of projects, some award-winning projects in the South West such as Royal William Yard, Osprey Quay and other developments where we are making sure that we are paying for sustainable construction improvements. Exeter Innovation Centre is another good example, where something like a 50% premium on the construction costs will be approved very shortly for a major development, which will exemplify that golden thread. The board are committed to it and have said they want to see sustainable construction and development running through the whole of our investment criteria. That is part of our appraisal process.

Juliet Williams

The board actually requested that every last project coming through the appraisal process pay attention to the sustainability elements of its proposals. I think that is a directive.

Chanel Stevens

Perhaps it is a matter of perception, but in terms of looking at the RDA website, there is frequently no mention of sustainability of construction within it. What you are doing sounds great, but I would have thought that if you want to have an impact and be seen as a champion, be a leader and say, 'This is what we're going to do and this is what you should be doing'.

Juliet Williams

In common with probably every organisation in the world, our website probably does not keep up with us.

Colin Molton

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.

Juliet Williams

We have a new marketing director in whom I think we all have implicit faith, but I think we would hold up our hands and say, 'This is our practice', but we probably have the same weaknesses in everyone else in our ability to communicate it. However, we take the point on board.

Saxon Spencer

We also wondered whether, in fact, enough was being done to make sure we actually have the skills in the region. We are going to sell it to people, but do we have the skills?

Juliet Williams

That is a hugely good point. I happen to chair the Regional Skills Partnership, and the whole issue of the way in which we approach citizenship, which is part of the way in which we move through right from schools to further education and the higher education agenda. At the end of the day, we must recognise that going forward skills development in this area, not just as a citizen, but as part of the workforce actually becomes hugely important. I think it will grow in importance in terms of the way we address it as part of the partnership.

Colin Molton

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.

Juliet Williams

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.

Claire Gibson

As an RDA, we have been funding skills support for the renewable energy sector since 2001 through the EnviroSkills SW project, which is delivered by a number of universities and higher education institutions in the region. Now that project has come to an end, we have to better understand what the real skills issues are. Are they generic, in which case should we just be making sure that renewable energy companies are able to better access the mainstream skills support that is available for any business in the region? We are looking at that, and our new role in relation to Business Link will help us to do that a little bit better.

It is then about trying to understand the sector-specific issues we need to address. Colin has just touched on an important point about the construction sector. Some of the work that Regen did in looking at skills with us is actually suggesting that a lot of the problem is in the construction sector because they do not necessarily understand the renewable energy technologies that are available, they do not necessarily understand how to install them, and so they are not actually thinking about renewable energy technologies as they are developing a project or providing advice to a household doing an extension. It is not automatically the renewable energy sector itself we should be targeting; it is as much about the work we should be doing around construction and the skills there.

Juliet Williams

I sit on the board of the Academy for Sustainable Communities and was at their conference in Leeds last week. What became very evident to me was that, regionally, there is going to be such a dearth of construction skills, given that when Heathrow Terminal 5 is actually finished, all of those people with those key skills are going to move to the Lower Lea Valley, which is where London and the South East are investing in key skills development. We are then going to see a complete dearth of construction skills in areas where we need them.

However, that is good and bad in the sense that we should be able to start to create an embryonic workforce that has actually does have access, keeping up to date on a regular basis, to these

technologies and the skills that are necessary to bring that into our construction arena. Whilst we shall have a shortage of capacity and resources, we need to operate that and work that to our advantage because nobody else has actually answered it, and certainly there was quite an outcry from other regions, which see it as a big issue. I think it is a big issue, but I think we have to regard it as a positive rather than necessarily a negative.

Colin Molton

We are working with the construction industry on this and it is not just around trades; it is also around engineering skills, architects and professionals. There is a real shortage of engineering capacity, in particular, and so we have to try to address that issue.

Saxon Spencer

Get more girls involved.

Matthew Spencer

When I speak to some of our leading micro-renewable energy device developers in the region, like our heat pump companies or our wood heating installers, they say that they can respond to any level of demand given a reasonable level of time. However, where they really suffer, as Colin and Claire have indicated, is in the knowledge base of the specifiers of the client – architects, mechanical and electrical contractors, and others who do not understand the opportunities, costs or issues around it. Initiatives like the Genesis Project, which is hopefully going to be targeting that sector, are really crucial to the growth of our best companies.

Juliet Williams

In a sense, are you saying that perhaps a general education programme will be important for us to put together, which takes on the planning, development and key skills generation?

Matthew Spencer

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.

Claire Gibson

There is also a national dimension to this, as there is to a lot of things. We need to be working with the national structures that are in place on skills to really make a difference, especially given the mobility of the construction workforce. They are not necessarily all home-grown; they do tend to move around quite extensively. Working with the Sector Skills Councils, which when it comes to the environmental technology sector as a whole is a pretty big feast because there are about three or four Sector Skills Councils that have an interest in this, it is not all neatly in one place. There is a national agenda for us, as well.

Chanel Stevens

I wanted one point to be raised because it is absolutely driving to the crux of this issue. A lot of your work is frustrated by people like me, collectively as councillors, and I cannot see enough, or see that you could do enough, especially about Juliet's point about an education and skills programme to build local communities and get their buy-in to it. That is absolutely fundamental, and I think you should really concentrate on that issue.

Given that, should we perhaps in terms of planning look at the mobile phone mast approach to the strategic needs of the region and the country to put this through? Without the mobile phone mast situation, I do not think we would have mobile phone coverage. A strategic decision was taken. What do you think about that? I feel that we as councillors are part of the problem.

Colin Skellett

I agree that we have to find some way of taking the problem away from local councillors. It is very difficult as a local councillor to stand up and say that you are supporting something; it is much easier if you can take it away and blame it on someone else, whether it is the RDA, the County Council, or the Assembly.

Saxon Spencer

I think we have to explore this more and get the community on board, and I am sure there is lots of work to be done because we seem to have environmentalists on both sides of the argument. We have planning officers opposing other planning officers, and there needs to be some sort of concordat about the overall strategy within which this fits. We are being told we have to provide local leadership. I would say that the idea about having coherent support for that process so that people are able to have the arguments and take them into their community is a very good way forward.

More publicity and marketing is something at which we should look jointly. One thing that came out of our workshops was that we seem to have a lot of regional organisations; perhaps we ought to think more about bringing them together so there is a single voice. In terms of regeneration, employment opportunities, incubating units and improving the skills, I come from a city where every year over 200 people young people, many of whom want to go into construction, are not in employment, education or training. There is more than one problem if we were able to focus on that skills agenda.

Peter Metcalfe, Scrutiny Panel Member

This last session has been fascinating. I am just going to read out a number of headlines and then ask you to give me a response: communities need to see direct benefit; smaller scale demonstrator projects (Glastonbury); the golden thread via the zero energy charter; embedding change into the culture generally; the evidence base for these particular factors; and you, Chair, commenting about Leeds and the issue of skills. I find all those headlines interesting. Is it possible as part of this process for the RDA to give a focused and brief evidence-based response about what they would like to see the partners do in collaboration with them to tackle some of those particular headlines?

Juliet Williams

The outcome of the discussion we have had today suggests that there are two drivers right now: one is information gathering and trying our best to understand what is a hugely complex issue, and the second is that of partnership. Whilst we can sit here and answer your questions – or do our best to answer your questions – I think we are actually at a very early stage in this process. Having said that, days like today help us to answer your question, which is to say what role each should partner have; that is what I understand your question to be.

Peter Metcalfe

No, that is not what I am saying. I have heard a lot of very positive evidence from the RDA. There is an awful lot going on, but I do not understand how that matrix works at the moment or how you believe the partners, with you, should be working with you to deliver that matrix. That is what I am looking for. I agree with you entirely that all partners in the end have to agree, but you have a core role within the remit you have been given by Government. You have a regional perspective and you are obviously doing a lot, but I as a local councillor do not understand how the matrix has reached a point where it can be seen to be doing the things that we believe through our inquiry are quite important. We do not see the evidence, which we are looking for.

Colin Skellett

You are talking about four main areas: education, marketing, skills and leadership. We have also talked about the fact that there is a plethora of organisational planning at the moment.

Juliet Williams

As well as the strategic concordant.

Colin Skellett

I think a piece of work could be done to say this is what we think we should be delivering, and here are the mechanisms for doing it and the things that other partners should do.

Peter Metcalfe

That is precisely what I am looking for. It is very simple. It is all there; we can then talk about it.

Mark Walton, Scrutiny Panel Member

I have a couple of points on the winning hearts and minds side of things. From my experience in the waste management industry, we are really familiar with the issues around planning, public perception and best coverage; we have exactly the same issues over a very similar kind of urgency of timescale to develop new sites and new processes. To what extent are you working across these silos of waste energy, and what are the opportunities to wrap some of these things up, both on your side of the fence and amongst other partners? There are some very similar benefits to local communities.

Claire Gibson

I think we have been collectively working a bit in silos on these strands. 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.

There are discussions going on about the concept of some sort of regional energy partnership. At the same time, the same people are talking about what we need to do regionally and strategically on waste. The fact that it is the same people at the table is the positive thing to take out of it. I hope that we will move towards that integration, and documents like the RES and the RSS actually do start to pull those strands together. As a very important point, I agree that at the moment it is a little bit siloed, but we are slowly moving towards better integration.

Colin Skellett

One of the reasons Regen works is that you have the RDA, the Regional Assembly, Government Office, the environment agency and industry represented. We need to find similar mechanisms for bringing the key players together.

Colin Molton

Our environment drive tends to be slightly internalised, and we need to put it out to regional partners and be absolutely clear about what we are doing, what works, and what our priorities are moving forward, as those priorities may be slightly different to the ones we have been pursuing to date. We must then be very clear about marketing that across the region.

Mark Walton

My second question is about the role of Regen in this. You mentioned that of supporting and promoting the industry. Is there potential to expand the role of Regen. That is where the knowledge base about the benefits is, if you like, to actually do some more of this commercial marketing. Is that likely to sit outside of Regen?

Matthew Spencer

We have taken on a communications manager in the last year specifically so we can do more promotion, and she has already made quite an impact. You may have seen a supplement in the *Western Morning News* recently where we had six pages of insight into what our companies are doing and what is going on in the South West, which was very well received, and we will be doing a lot more of that. We do things like the South West Green Energy Awards, an annual event at which we reward best local authority, best business innovation, and so forth, which works very well.

Juliet Williams

I think economies of scale and our working together on that communication and marketing strategy would help hugely in making the money go further.

Matthew Spencer

There is more we can do.

Colin Molton

Having said that, we do not make our investment decisions on the hoof; we do have a very robust evaluation process.

Mike Bawden

I think we are missing an opportunity with the bio processes. You want to put them next door to sewage works; you will not have any problems with planning permissions. I mean that quite seriously. I think we have a wonderful opportunity in the South West of bottom-out wave power, but I get the feeling in the conversations to which I have been party that wave power was not quite as high up the batting order as I expected it to be. We are a country surrounded by water, and it is something I think we really need to push. I think we in the South West should consider taking the lead on that.

Can I talk up about the democratic process? I believe we as the Regional Assembly should take the lead on talking to the Development Control authorities, both the chairman of the committees on the Development Control authorities and the planning officers. I think we need to take the lead on that. I suggest that, if possible, we need to persuade our colleagues in local government that when there is a planning application for a wind farm we do our best to get a presentation from a balanced group of people on the arguments for and against renewable energy. That is something that needs to go to the group leaders.

Bryony Houlden, Chief Executive, South West Regional Assembly

To add to that, I think it is a joint effort with the Assembly and the SW Local Government Association because we have already gone through the SWRDA getting buy-in for the wind protocol. I think there is some joint work to do with all of the local authorities.

Claire Gibson

I would like to pick up something Mike said about marine. I think I disagree with you. I think the South West is doing a lot on marine at the moment, and in tidal and wave we are leading the field in the UK, although we do have some competition from the Scots.

Juliet Williams

With the limited funding that we collectively have, it is a case of determining which of those the priority is. We have to determine where to focus our accelerated investment, but it is getting to the stage at which we are deciding what those priorities are.

Colin Skellett

We actually have more money going into tidal and marine than anything else. What we did when we looked at it as Regen was to ask what is the one thing that will help us hit our targets. It has to be wind. Marine was then the second priority.

Mike Bawden

If that is the case, I accept that in the real world you only have so much money, but maybe collectively we ought to be going to Government and suggesting that the South West take up the project nationally because it is a renewable source of energy and we are surrounded by it.

Ian Munro

It comes back to the fact that there is a lot of good work going on, but maybe we need to work together to help portray it.

Juliet Williams

It is giving a slightly different emphasis to some priorities.

Matthew Spencer

I would like to say one thing as an observation from Regen SW. It is easy in renewable energy to get downhearted because of the planning issues, and there is clearly a lot more that we can do to help deliver that collectively. That is the biggest problem. However, as someone who works quite a lot with other colleagues nationally and in other regions, I do not think we should undersell ourselves. The policies that have gone forward in the draft RSS are groundbreaking, particularly the one on renewable heat, which has never been done before. We have put together training programmes for the last three years for planning officers in the South West, which are the envy of many other regions because they are a collaborative attempt between the Government Office, the Assembly and ourselves.

My colleagues in the East and the North West also look with envy on me and the freedom we have at Regen SW to innovate and respond to opportunities, for which the RDA ought to get some credit. In other regions, RDAs have taken the approach to renewable energy very narrowly and allowed it to be defined by short-term economic development returns, whereas in the South West we have quite a lot of freedom. It is a medium- to long-term investment, and we are not being judged on our outputs in terms of businesses advised or training posts given, although that is part of what I do; we are being judged on outcomes, so it is very much a long-term investment. That is quite a great freedom we have.

Ian Munro

Thank you for that point. This has been a very useful session, and I thought the debate went very well. I thought there were a lot of constructive views coming out and some actions to take things forward, which is exactly what we want. Both sides have all entered into that in the spirit we wanted.

Domestic Energy Efficiency and Fuel Poverty

Peter Metcalfe

Listening to Colin in the last session, Wessex Water has been actually engaging the community and improving the efficiency of water use, and in fact their own building, which is a marvellous example of energy conservation and development. I would say that member of the board has very good experience in this particular area, which deals with fuel poverty as well as efficiency.

In all this documentation we have, there is one very interesting issue: the rise in fuel poverty. The number of people in fuel poverty in 2003 was 138,000; that has now reached 250,000. There is a core issue within fuel poverty, which is that one gets the impression that under current circumstances, there is going to be a continuous rise of that problem, and we have a major responsibility to tackle that.

On the last page of the summary of your very detailed letter sent on 10 April as part of the Government Energy Review, paragraph 5 lays out very clearly what you have achieved so far and in what you consider future investment, and you talk about low-carbon buildings and public sector procurement, infrastructure, skills and supply chain development. You then challenge the Government to say what they need to be doing. In paragraph 3.22, 'The Future', you talk about skills, saying that 'Skills are a critical issue in the interest of achieving an effective energy mix. There is a requirement to maintain existing skills, as well as investment in new skills necessary to achieve an expansion of low-carbon technologies'. Later on in the same letter under paragraph 4.8, you talk about sustainable construction 'to promote the uptake of energy efficiency and incorporation of a new form of energy in new and existing housing stock and commercial buildings. Greater coordination is required to provide clarity and common purpose'.

I find those sentiments extremely acceptable and certainly reporting them to Government is very important. My problem is that I do not understand at this stage what has been achieved within the context of energy efficiency and fuel poverty. What I do know is that the number of people moving into fuel poverty is getting greater. I also know that the building industry is what I would call extremely slow in the uptake of developing new skills. We also know that within a European context there has been quite a lot of good work done in these areas. I suppose my question is, from your perspective, what do you think needs to be done over the next two to three years to begin to move this agenda forward at a regional level, not at a national level. We all know that the national level is in chaos. We also know that there are changes going on all the time, like the Energy Review. Let us delete that out of the equation. What should we do in our little world of the South West to begin to develop an approach that answers those two questions – efficiency and fuel poverty – bearing in mind that it has a big impact on local communities? How do we get local communities to become partners and owners of those two requirements?

Colin Molton

There are a huge number of issues here, and if ever there was an agenda where partnership working was needed, this is one of them. First and foremost, from an economic point of view, the RDA is about ensuring the RES is delivered and will improve the economic performance of the region and bring prosperity for everyone in the South West of England. That is an overarching principle of our remit, and there are a huge number of areas where we can impact on this agenda. It would be very easy for us to say that it is not core business for the RDA, but of course it impacts on almost

everything we do. I am sure we will give you a number of examples where that is definitely apparent.

You touch on a number of issues, and it probably worthy picking up a few of them. One is how we educate and engage the building industry in this agenda. That is very interesting because when we talk to the building industry around the development of new homes, they say they are quite willing to engage in the energy efficiency agenda, but there is no requirement on them to do so; there is not a level playing field, and they ask why they should erode their profit margins and be the only ones to do it. They need certainty and they need a level playing field, but they are very keen to do it.

In terms of our engagement on sustainable communities, we are keen to address energy efficiency in homes. It has to be a fundamental part of our engagement. In fact, one of the most important things for us and for the board is that every time we invest money in projects, we have a lever to guarantee a number of outcomes, and this is one of them. We can say in respect of sustainable communities that we would like to achieve x , y and z – that we insist on it, whether that be efficiency in homes, quality of design, sustainable construction. All of those things can be embodied and guaranteed through those covenants, which is very different from the aspirations which you raise.

Clearly, local authorities have a role to play as partners in this agenda in terms of meeting the decent homes standard, and we obviously have an engagement in the Regional Housing Board to make sure that is clear. Of course, education is important, and we must make sure that we sufficiently engage people, even at a very young age in schools, so that we can look at exemplar projects and tell a really good story on this agenda. Some of the investments that we have made, like the Sustainable Construction Centre in Somerset, are good ways in which we can get this message across.

Jonet Waldock

In terms of our own development, where the RDA is funding those developments and also delegated funds, and certainly within our own developments going forward, we understand it is very good or excellent, which require a level of energy efficiency to be built in them. We also have implemented within our own developments renewable technologies, and we are actually starting to monitor those – for example, how do they compare to using gas boilers as opposed to wood fires? That also improves education in terms of how cost effective are these technologies and what are the maintenance issues so that it builds confidence in a more energy-efficient and using a more low-carbon way forward.

Colin Skellett

That is about new builds. One of the things that struck me at a conference last year was when we were told that the rate of housing renewal in the UK is incredibly low – it is the lowest it has ever been – so new builds are an opportunity we should take. However, in the South West we also have the most energy inefficient housing stock in the country, and so there is a real need to address existing housing stock and find better methods of educating and promoting energy efficiency within the existing stock, as well as dealing with new builds.

Matthew Spencer

There are two issues here, which are how the region interacts with the fuel poor and how the region interacts with the fuel rich, to put it crudely. The fuel poor programme that we have in the South West is run by a series of energy advice centres based usually at a council, and we have some really good examples in the region of joined-up working. People like Community Energy Plus in Cornwall are working very actively with health authorities, for example, to target the fuel poor and to get integrated packages so that when people go to get health advice, they also get advice about grant availability; there are actually a lot of grants available for the fuel poor through the Warm Front programme, but they are not taken up enough. They have had a lot of success in doing that, as well as working through education authorities, but it is very intensive. It has to be done at a local level; in a sense, it is door-to-door targeting of people who are in that category.

There has been less work on the fuel rich in the sense that there have been national campaigns by the Energy Saving Trust (EST). Some work has been going on through these energy advice centres, but it is still not funded particularly well by central agencies. The Energy Saving Trust is putting forward a proposal to create what they are calling sustainable energy centres at a regional level, and the idea is to upscale the resourcing and the impact they have in terms of energy advice to the domestic sector. The region is about six months into a negotiation with the EST about what form that should take for the region because the region really can choose how it wants to organise that. The Government Office have been organising a process to try to come to a consensus view about what would best help deliver that here.

Claire Gibson

I would like to make a couple of explicit comments about fuel poverty and the RDA because a number of comments have been made about us as partners in the region. You mentioned that you did not really have a grasp of how well things were progressing, and reading the energy review consultation document last night, there were some interesting statistics about the UK which actually suggested that things were fairly positive and that they were moving in the right direction – that there were now a less significant proportion of households that were no longer in fuel poverty. It had gone down from 6.5 million to 2 million. Clearly, where we are today, things are changing given the price rises.

What was interesting for me is that the document was saying that 60% of that reduction 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 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.

Howard Thomas, Scrutiny Panel Member

I am wondering about the economic argument for getting involved in the domestic scene, if we can call it that, of energy savings as opposed to what we were discussing about the economic opportunities that could be offered to businesses in the South West on the supply side. Colin Molton has said that you obviously have to review your investment decisions and operations

on a considered basis and not on the hoof, but I wondered whether you are certain that the emphasis you appear to have put via Regen on the supply side has missed a trick here.

We have heard from the fuel poverty people about how badly the South West housing is insulated. From those interviews it seems that there is a tremendous economic possibility if one could lever the grants into getting more work done on insulating houses in the South West, where there are so many that need it, and lots of them are very difficult to do because these are houses without cavity walls. If the RDA could take a step back, would you place as much emphasis on what might be called the business scene as opposed to the domestic scene, which seems huge? As a layman, I would think that if you equipped every house with solar panels and did all this insulating work and everything else, it would probably employ the construction industry for the next decade. Do you see my drift? Is this an economic opportunity as opposed to just educating people to save energy? That is a very noble thing to do, but, as I understand it, the RDA exists to enhance the economic prospects of the population through regeneration, although I take your point about increasing their incomes. How about the domestic scene itself as an economic opportunity?

Colin Molton

We are aware there is a business opportunity there, and certainly promoting innovation in terms of energy savings in homes could be a huge economic opportunity. I think you have to make the distinction between issues relating to housing. It is not going to be appropriate for the RDA to put money into cavity wall insulation or things like that. It is really where the innovation and new technologies can be used to drive these sorts of efficiency savings, and that is where there is read across between the business and household issues.

Juliet Williams

I think there is another issue related to that. We need in the supply chain to get beyond the primes and the first tier. The education and information management processes need to reach down to the second- and third-tier suppliers and providers with their confidence and competence to install these things and recommend particular technologies by virtue of them having the knowledge to make the decisions. That is our game, and that is really where we can start to make a difference.

Claire Gibson

Can I take us back a bit to understand how we have gotten to where we are? We have consulted a lot through the development of our RES and our corporate plan over the years, and we have engaged with a lot of stakeholders in trying to understand our priorities around the environment driver. In 2000, the region was telling us renewable energy was a critical focus for us as far as sector development potential and the targets were concerned. So, working with our partners we had the renewable energy group, which then led to the Renewable Energy Strategy, Regen and our investment in demonstrators.

More recently, we have all realised that the energy issue is not just about renewables; clearly a really important component is about energy efficiency. In the past 18 months, we have been given a specific responsibility from the Department for Environment, Food and Rural Affairs (Defra) on business resource efficiency, which we are just now starting to understand because it was not an area we necessarily worked in. We are particularly interested in working with Government Office and partners on this domestic energy efficiency work. For example, a small- or medium-sized enterprise (SME) who might be working at home is not interested that they have to talk to advisors

through Business Link if they have their business hat on, but if they were talking as a householder they would talk to someone else within an energy advice centre. We want to try to understand how we can better coordinate the advice between the domestic energy efficiency and the business side. We are interested in the outcomes of that and are actually trying to influence them such that it fits neatly with where we are going on business resource efficiency.

As part of all that, there has been an understanding on our part that the sector potential around energy efficiency, which we have not really understood, is potentially quite big. We have had the environmental technology sector as a priority for some time. We have had a number of hiccups along the way in terms of structures to actually support that sector, but I think now we are getting a better handle on the issue through the study work we are doing with partners, and there might well be some specific initiatives that we can take to influence Business Link, or whomever, to take on to provide better support for the sector opportunities that exist around energy efficiency, as well as what we are doing on renewables. For me, we have been on a journey, which has changed. No doubt after today in 12 months' time, we might be going down a different route.

Howard Thomas

It seems to me a question of scale. This is not the first time I have heard Matthew's point about going around, knocking on doors; I heard it from the fuel poverty experts, and obviously you have close contact with them. I still wonder whether it may not be you as the RDA, but it seems to me there is an education process which involves educating people who can then go out into the field and make people aware. It seems to me that there is room here for an exemplar project that could take an area which is known to be fuel poor and perhaps difficult to improve in terms of physical changes that need to be taken to the properties concerned and seeing how that might go as a project.

Juliet Williams

In many respects, it is about what roles the partnership takes in meeting these kinds of critical issues and actually determining the pillars of the debate and how we can therefore start to create the kinds of projects that will act as exemplars in the field. The kinds of questions you are asking are about collective issues; it is not necessarily just an RDA issue. They are regional issues. I think it is how we address those regional issues in terms of the partnership and taking it forward. Those do need more debate.

Howard Thomas

Do you agree that it could create a lot of jobs, which is what you are about?

Juliet Williams

Potentially.

Claire Gibson

I referred to the study that we are doing, which has not yet concluded. It is back to the point we made this morning: we have to make sure we have the right information and evidence to inform any actions that we might take or that we might influence others to take. We have not really

understood what the potential around energy efficiency was. We understand renewables now, but we need to better understand energy efficiency.

Juliet Williams

I understand Howard's logic, but, at the end of the day, we have to make sure we are properly informed by the consultation process.

Colin Skellett

I think there is also a question about what sort of jobs we are trying to create. The renewable energy industry is really good because we have a lot of smaller businesses that we can actually see developing into substantial businesses with long-term, high-value jobs. The jobs we are talking about here are probably cavity wall insulation, putting in loft insulation – they are relatively low-value jobs and are likely to be short-term jobs. I think there is a question about where you best put your investment for long-term sustainable growth in the economy.

Jonet Waldock

From the work that is being undertaken by the Government, I do not think there is an issue in terms of suppliers of energy efficiency. It may not be a particular issue within this area in terms of growing that sector as opposed to the renewable energy side.

Peter Metcalfe

I am not arguing against what you are saying; I am interested in beginning to tackle this issue of domestic energy efficiency and fuel poverty. I am therefore asking the RDA to let us have an indication of what they believe they can achieve in this short timeframe of two or three years. We know that we have a substantial stock of domestic housing in the region that would benefit from improved efficiency measures. We also know that if that was realised as aggressively as possible with partners, it would produce economic activity and new skills. I know we talk about cavity wall insulation, but that is only one element. The science of energy efficiency is expanding every day; there is a whole range of new areas coming into play, reading your report, which could be exploited through business opportunities and through taking the point that Colin made earlier about the longer-term sustainable economic agenda.

You have written on page 42 that 'research on the benefits of incorporating sustainable construction and social housing', which could also apply to the private sector, 'has demonstrated significant savings in energy costs, benefiting residents who are often economically excluded'. In my opinion, that passage focuses totally on this particular issue and is extremely valid; therefore, can we be given some guidance about how you intend to move that forward in the next two to three years and which stakeholders should be working with you to achieve that?

Juliet Williams

I think we have to be so careful about this because it is so complex. This is not a simple issue. This is one of the reasons why I raised the supply chain. The very techniques about which you are talking have to reach right through down into micro-business providers to the people who are freelance and casual labour within small construction firms and the like. The problem is that the

techniques, technologies and engineering requirements in many respects have not really permeated beyond the top level so there are, apart from a willingness and the need for the partnership, skills issues, issues in terms of the cost efficiency and cost benefit of the engineering, and issues around funding.

Colin Skellett

Talking about new development, I think you are putting your finger on a real opportunity. Take Western Riverside in Bath. One of the things the RDA will be saying as part of its support for Western Riverside is that you must achieve these levels of energy efficiency in what you build there, and there is a willingness on both sides to do it. There is direct influence we can apply there. I think all the new housing in terms of the South West is a real opportunity. It should be saying from the word 'go' that it is all going to be built to the very highest standards. If you look at what Ken Livingstone has done in London, he said that every new development, wherever it is, has to be 10% renewable; otherwise, you do not get planning permission. We can jointly adopt those approaches that will make a real difference to new housing stock and help you achieve what you want to achieve. I think the existing housing stock is a more difficult issue, but it is an opportunity we should not miss.

Peter Metcalfe

Taking the new housing stock, I agree. How do we drill down into the lower levels for delivery? Who do you believe should be engaged in that process?

Juliet Williams

That is exactly the kind of generic issue that is not just an RDA issue. That is the kind of thing the Regional Skills Partnership (RSP) is there for in order to ensure each of the channels through which one can move. I was aware when Saxon was talking earlier that there is an organisation called Women in Construction. There are all sorts of organisations that dovetail into the RSP through which we can ensure that we start to build the skills portfolios that are necessary. This is again a partnership issue.

Peter Metcalfe

I entirely agree. You have identified one of the key partners, but I assume that the RDA has a view about what it would like the key partners to do.

Juliet Williams

Indeed.

Ian Munro

Coming through today is a more overt response from the RDA to say that there are a number of things you want to move forward on, and if you had more help in certain ways, which together we could sign up for, it would be quite helpful. That seems to be coming through in a number of the themes.

Jonet Waldock

There is this ongoing study, however, about the low-carbon housing and fuel poverty, and there are action plans coming out of that. We are engaged in that steering group, and there are a number of actions being derived for individual partners; there are some things that both the RDA and the Regional Assembly could be doing, and that is still developing. We need to move forward with what is coming out of that.

Juliet Williams

It will answer Peter's question, at the end of the day. I think the point that we want to make is that we are not being complacent. We are trying to make sure that we understand what those channels are and where we can make a difference.

Howard Thomas

Jonet is essentially saying that there is already a grouping and the necessary leadership.

Jonet Waldock

One of the things that is being discussed is whether there needs to be a body that drives the sustainable energy forward. There is a recognition that there needs to be something moving it forward, but what form that something should take is still under discussion. Is it a partnership? Do we have a body? That is all part of this discussion.

Colin Molton

It comes back to whether we are talking about new projects or existing stock. We have a Regional Housing Board and a Regional Housing Strategy, and all the partners on the Regional Housing Board under that strategy have an obligation to look at these issues. The housing corporation, the housing association, registered social landlords and local authorities are all on the board and they are all addressing this as one of a number of issues. It almost becomes a very different agenda when you are talking about the new agenda and new projects moving forward. You have a whole series of interventions. Under The Way Ahead, we are talking in respect of all new housing developments about moving in our Future Foundations document, the sustainable construction charter, into a much broader sustainable development charter where we are saying that there are much wider issues at play. There is the whole issue about energy efficiency, renewables, skills and carbon-neutral buildings. It is not just about sustainable construction, but a whole series of issues which we are now trying to bring together under this new sustainable development charter. That is something we will be working on over the summer, and hopefully getting to a first draft in the autumn.

Howard Thomas

The Regional Spatial Strategy is now in draft form for consultation. Does the RDA envisage perhaps providing extra input into the examination in public (EiP) process, which would perhaps signal how you could support the policies that are now in this draft form, or do you want to change any of them?

Claire Gibson

The answer to that is probably 'yes'. We are trying to understand the key areas for further work that the RSS and RES have thrown up so that we, together with yourselves, can ensure that we have a strong case at EiP to make sure that the RSS that comes out of that process is what we would like it to be.

In terms of the policies around this agenda, in principle we are very supportive of you and members in particular providing a strong leadership in wanting to be aspirational and set high standards; Matthew has already referred to the fact that it is the only RSS to have thought about a heat target. In principle, we are very supportive of that; we just want to understand what is actually deliverable. Are those targets deliverable? Can you actually make sure that you have built a house that is as energy efficient as it can be but can still have enough energy generation or energy need to warrant a renewable energy investment – i.e. is it still viable for the renewable energy component to be integrated? I do not know the answer to those things, and no doubt it is going to vary according to a particular development proposal and the various mixes that are proposed within a development site.

We would like to better understand what is really deliverable and then couple that with what the sector can actually support. Obviously, we would like as much economic benefit ourselves as possible, but is there enough capacity within the region's sector to deliver those targets in a relatively short period of time? There are a number of areas of work that we are keen to better understand so our case at EiP is strong and we can back you and the policies that you are presenting to the inspector.

Howard Thomas

I am glad Bryony is here because we have already allocated officers to the implementation plan of the RSS, which is quite right. I imagine there will be a certain amount of interaction there between our officers and yours.

Juliet Williams

There already is.

Ian Munro

Thank you very much, Peter and Howard. We can take two quick questions. Mark indicated he had a follow-up question.

Mark Walton

I want to take issue with this thing that keeps coming out in various strands of the RDA's activities around what appears to be quite a relentless focus on high-value employment, which I can understand from your remit and what you have been asked to do by the DTI. In local [inaudible], is everyone in the region going to be employed on the Science Park? I do think that this kind of thinking has a tendency to lead to economic exclusion. We fought very hard during the RES review to get acknowledgement of the role of people like the voluntary and community sector and others in creating pathways for economic activity – people who are excluded from economic activity. 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. I hope you will tell me that you are looking at that, but the rhetoric is never around that. I do think that needs to be acknowledged.

Juliet Williams

I would not want you to get hung up on that, actually. However, it is the same in any organisation. Those who are the real source of delivery are those sitting at the front line, who may have no aspiration or ambition; what they want is job security and the other things that go into family, community and other support. I do not think anyone would argue with that. In many respects, it is the subject we are talking about. If we take the key strategic level, the need to create the technologies and the advanced engineering and make those sorts of investments does require those who can think in that way and who are educated to that. This is why I mentioned the second and third tiers in the supply chain. The knowledge needs to get to delivery on the ground, which may not be high-value jobs, but it is where we are dependent on people in delivery to have the knowledge to execute.

Mark Walton

In terms of talking about partners and where we are talking about professional bodies, some of those partners also need to be giving to the organisations, particularly where we are talking about issues around fuel poverty, because it is those communities themselves who can take very simple steps forward.

Juliet Williams

Nobody would disagree with you, but I think the critical issue is that we need to be able to respond with higher quality jobs to those who have ambition and are motivated to fulfil them. The big problem we have is that in attracting inward investment, the need to be able to balance the workforce with that kind of knowledge and that kind of inspiration is actually quite key. It is because we do not actually have enough of it that we say it, rather than necessarily expecting everyone to be of that ilk. Quite plainly, that is never going to be the case.

Colin Molton

It is important to recognise the work with the voluntary and community sector. In the old world, we had SRB, and there were lots of schemes in urban areas and the sort of things that you might be referring to going on. That is coming to a close now and Government is putting together new initiatives to engage the voluntary and community sector. We do have an agenda around community enterprises, which is an area we can work on. Of course, in all of our major regeneration schemes, we will be looking at how they benefit local communities across a whole range of issues, including community enterprise projects within those areas and working with Government Office in neighbourhood renewal areas or market towns. It is all about community generated activity, as well as our own regeneration companies. Those sorts of activities are absolutely key to show how all of the investment that goes into the physical structure is benefiting local deprived communities.

Saxon Spencer

I think this is an extremely important role for social enterprises. We have the irony that it is the fuel rich people who are putting in their solar panels and little windmills; they are the well off people. There is a real contradiction and real paradox in that you may be giving extra money to people to buy inefficient ways of heating and lighting their homes. This is where we get back to having more of a strategic approach. It is a particular problem for an area like Devon, where so many people use gas and have to rely on all sorts of expensive solutions. If we are looking at social inclusion and improving the economic outlook, I would like to see a much higher priority accorded this.

Juliet Williams

The things you raise need to be part of our total education, promotion and marketing plan at a community level so that we can start to address the paradoxes you are talking about.

Mike Bawden

We have a responsibility as a Regional Assembly for housing and planning. I think the report should refer to the issue of domestic energy efficiency and fuel poverty to those two bodies because we need to actually push once again on this agenda.

Ian Munro

Thank you, colleagues.

Business Energy Efficiency

Ian Munro

This afternoon's session has three elements, the first of which is looking at the business energy efficiency themes that have emerged from our workshops and discussions. We then have a session called 'overarching issues', and, interestingly, a lot of the things that we might want to ask have actually come up this morning, which is the sign of a good bilateral discussion. I will then comment on our conclusions and next steps.

Mark Walton

Business energy efficiency attracts quite a lot of comment in the RES, particularly around supporting businesses to become more resource efficient and supporting them in measuring that. I am going to focus on some of the business support that is provided in this area, and then Mike will ask a few questions around coordination and the regional leadership role in this area.

One of the things that became clear in the workshop sessions I attended back in April was around the fact that the businesses present in those workshops were really only talking about engaging on this issue in terms of cost. Issues around security of supply were nowhere on their agenda. To what extent were issues around business energy efficiency actually brought up during the RES consultation? Do we have any information about how high on the agenda business resource efficiency was?

Claire Gibson

I do not know the answer to that in terms of the RES consultation, but I am sure it is something we could find out. In terms of our general engagement with business outside of that RES review, it has been an issue that is higher up the agenda than it has been since they are now directly seeing the results of energy bills coming through. Colin might have some more direct experience to relay than me. I think that the business community is well aware of the issue and are seemingly more prepared to engage with the resource efficiency agenda as a whole, not just about energy, and so they are thinking about their resource use as organisations. The problem seems to be their ability to access the support that is available, of which there is a lot. Defra has given us the responsibility to try to coordinate that advice, which we have been trying to do for the last 12 months. That is quite a challenge because a lot of it is nationally-driven, and while they have asked us to coordinate it, we do not actually have a direct influence on carbon trusts, for example; they are national programmes. We are slowly moving towards a better, more coordinated provision of advice, very much linked in with Business Link. In that sense, the timing is very good both because of our new role with Business Link and our ability to ensure that those structures reflect resource efficiency as a mainstream issue rather than what it possibly has been to date, which is sort of an add-on to the general business support agenda. I think there is a lot more appetite now, but I do not know specifically in terms of the RES consultation.

Colin Skellett

I do not know specifically in terms of the RES. However, as far as business is concerned, we have been running some dinners and getting in businesses to talk to them about their issues. Encouragingly, almost without exception everyone is interested in this area, primarily for the reason you described – because it comes through the bottom line. The difficulty, particularly for SMEs, is where to go to get the information and how to get it. There are a lot of different organisations around, and I feel very strongly that Business Link is a real opportunity. Business Link not only has a responsibility for it, but it gives us the single point of contact. That is what the SMEs want; they do not want to go around to all sorts of different organisations. We have then got to create the support network behind that route, whether it is Regen, Enviroskills or something else, to tap in the expertise. Businesses are saying, ‘Tell us what to do’, and a lot of it is really simple stuff like putting in energy-efficient light bulbs, checking the water meter and taking electricity readings. If we can get that done, I think we will make a lot of progress. The SMEs are a big part of this market, and those are the ones on which we need to focus on helping.

Juliet Williams

This is a real opportunity for peer learning. One of the new priorities of the Beacon network, following its seminar at the Met office, is to go to those of its members, and indeed outside, who are deemed to be energy efficient and who have found ways to put together energy-efficient strategies in order to be able to deliver the kinds of things Colin is talking about. There is actually no better advocate than one’s peers and people who have found real ways of delivering the

solutions to the problem. Four or five small businesses are feeding into that peer network within Beacon, and one of the things they have promised to do is to engage with the business links to make sure that we do not lose out between two organisations.

Claire Gibson

That is something that has come through loud and clear to us over the last 12 months while working on this agenda. One component of that on which we are working with all of the partners that are part Defra's Business Resource Efficiency and Waste (BREW) programme is to develop a portfolio of case studies which are very much about a business setting out the issues they had, how they addressed them, and what the outcome has been so that a similar business can see that and better understand what it means to them, and to potentially have a number of champions within those business sectors who are prepared to talk to like businesses. There are already a number of business clubs in the region that are funded, predominantly nationally, where similar businesses come together and share their experiences. That goes a lot further than the public sector trying to talk to business about their operations.

Juliet Williams

Another way that is hugely successful, and in many respects is possibly something that we should consider going forward, is to put together a website that allows small businesses to ask the questions that they need answered. I appreciate that we are doing it, but what is key is that we make it as interactive as is appropriate to answer these kinds of questions.

Claire Gibson

That is helpful advice because I do not think we have necessarily gone that far.

Juliet Williams

I am a great believer in having the cases so you can ask the question that actually directs you to the case appropriate to solving your particular problem. This is a really good example of where we need to be able to do that.

Claire Gibson

There is a particular model that exists around the rural economy in which we have jointly invested with Business Link called the Rural Enterprise Gateway (REG). We are trying to replicate that very successful model, which is getting a lot of national accolades, to do the same around resource efficiency, again hosted within Business Link, supported by some technical Business Link advisors who understand the issues, and providing the website and making it more interactive. There is then that coordination into all the various advice that is available. To link to the agenda before lunch, we would obviously be interested to understand what comes out of Energy Saving Trust's review to see how what we are doing can sit neatly with the domestic energy efficiency support that is available.

Mark Walton

You have touched on a lot of issues there, which Mike may probe a bit more deeply. Clearly, as you said there is a plethora of national, regional and local bodies involved in this kind of work. In some of our conversations with national bodies, it would appear that although they were operating within the region, they were not necessarily aware of the RDA's role in this area, which is actually quite worrying given that there should be a good crossover in that area.

Secondly, you talked about looking to make better use of the business links to get these messages out and help businesses in this area, but you have also put a large amount of money into EnVision recently. What do you see as being the possible duplications or synergies of EnVision and the business links, and how will their approach be different?

Jonet Waldock

We mentioned earlier this business resource efficiency study, part of which is mapping, or looking at, the number of different organisations that are out there. To date, they found 55 business support organisations in the South West alone, and I suspect that there are an awful lot more than that. There is clearly a need there to identify who is doing what so that we can start to direct businesses in the appropriate direction. They do not know which organisations support them on a national scale, let alone who the small, local delivery bodies are. One of the things Claire has mentioned is that we are looking at having a single portal, mainstreaming business resource efficiency through Business Link so that it is part of the ongoing support that they provide.

Moving forward, one of the things the study needs to look at is whether an EnVision-type business mentoring service is the appropriate way to move forward, or whether we need to do something else and look at best practice in terms of what the RDAs are doing in other regions. I think the North West region has a toolkit in terms of business resource efficiency, which is an online tool allowing businesses to help themselves. Perhaps that is something that we need to adopt, or funding a number of resource efficiency clinics where you have businesses working together; peer learning is a way of improving resource efficiency. We need to look at what is happening with that and if that is something that we should be looking at, as well.

Juliet Williams

If I reflect what the Chancellor said in the Budget, this is really part of the deproliferation agenda. We need to try to make sure that we are not duplicating effort and that we are creating the right economies of scale in terms of delivery.

Claire Gibson

I think the Business Link model is now one that is not about delivering the actual advice but providing that information – I am thinking about the information diagnostic brokerage model. As we saw it at the time we were considering an investment in EnVision, and what seems to be happening in practice, EnVision was very much about coordinating across all the support provision on the ground. We could coordinate by having quarterly meetings, which we do as well, or we could actually coordinate on the ground so the businesses could see that. For me, the concept behind EnVision is providing that coordinated handholding support, which Business Link would not go as far to do. I do not think it is a duplication.

Going back to your first comment about being slightly concerned that people did not understand our role, I am not surprised at that. We heard Defra announce a new role for us in November 2004, which was actually quite a surprise to us. It was fortuitous that at the same time we were trying to pull together this Environment Driver Implementation Plan, which had identified the need for us to do more around business resource efficiency, and so it was linked in that sense. However, they announced that role in November for us to start in April, and it has actually taken us some time to understand what the issues are, who the partners are, and what we then need to do to try to make a difference. As part of that, we set up this South West BREW Coordination Group, which I chair. It has only met three times, and it is still struggling to understand the role of the region in what has been a nationally delivered agenda, but which is affecting locally businesses on the ground. I think we are all trying to understand where this is going.

Mark Walton

I take your point on that, but my understanding of the BREW funding, after listening to someone from Defra talk about it, is that it has to be something that is resource neutral for business; it is about feeding money that businesses are paying in tax back into business. Defra is under some pressure to make sure that over the next three years this actually shows some results; otherwise, that money could go back into reducing National Insurance contributions, for example, across business, taking away the environmental benefits that could possibly be coming out of it. We are already over a year into the RDA's responsibility for that BREW funding, and to have had three meetings and to not yet have a clear idea of what is happening when it might disappear in a year and a half's time would seem to be potentially wasting an opportunity.

Claire Gibson

As far as the RDA is concerned, we are very clear about what we now need to do and we have a three-year business plan of how we are going to invest the BREW-related funding. It has a series of activities and milestones, some of which are still dependent on the outcome of the study Jonet has referred to. The difficulty is that we might be clear, but the partners collectively are not clear about what each other's different roles are and how we can work together. Carbon Trust is continuing to deliver their national programme, as is Envirowise. Meanwhile, we are trying to pull all that together. I think as a collective partnership, we have some way to go to move towards coordination. As an RDA, I think we are much clearer about what we need to do with that BREW funding. However, it does take time; you cannot do these things over night.

Juliet Williams

The critical thing with all these things, and we found the same thing with the transfer of the business links, is that executing the transfer is difficult in itself, but it is also difficult to go through a transitional period where you are taking over something which you are not necessarily equipped to take over. You are also asking if the solution in its current form appropriate to what we are trying to do and then, having decided what you are doing to do, going through the transformation process. That is tough in all these things, from business links to tourism.

Jonet Waldock

BREW funding does not all come to the RDA; BREW funding for Carbon Trust goes straight from Defra to Carbon Trust. There is an issue, which is this study is bringing out, about measurement:

there is a lack of measurement, and it is actually difficult to get that information out of the national bodies. That is something which we can be feeding back through our BREW coordination role.

Mark Walton

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.

Claire Gibson

It was worked up in consultation – and I will say ‘consultation’ loosely because we did not send out a document and say, ‘Can you write back with comments in a month’s time’. During the course of meetings we have discussed the issues that are included within the business plan, but within that coordination group, it has not gone wider than that. Again, that is partly down to the timing that was available for us to produce a plan to be able to get on and deliver in order to demonstrate to Defra and, more importantly, the Treasury that it is worth continuing to invest in the BREW programme. However, it is something that is available, and if partners are interested, we would be interested in receiving comments.

Mark Walton

On the issue of marketing, services currently seemed focused on awareness-raising in terms of providing the information, but the Carbon Trust identified in our discussions with them 1,000 efficiency reports, each of which contained the same basic five or six recommendations, which seems to be an amazing waste of resource in terms of doing a diagnostic to show the same issues. Is there a need for a concerted marketing campaign that actually focuses on some key easy wins, and a recognition that it is not just about providing information but changing behaviour?

Juliet Williams

I am a great believer in self-diagnosis, actually, because there are half-a-dozen basic platforms that come through this as to the potentially key list of efficiencies. A lot of what we have talked about today has been about communication, promotion and marketing solutions. Having said that, until you tell people, share knowledge, and say, ‘Actually, this isn’t that difficult; there are some simple solutions here. They may not answer all your problems, but, if you start here, it’s a good place to start’, we will not get very far, and I entirely agree with you as far as that is concerned. I also think that if we can share peer experience and allow people to ask their own questions by logging into cases of other people’s experiences – as you say, half-a-dozen or a dozen would almost do the job – then, very simply and for a relatively low price, we could probably get a lot further forward.

Mike Bawden

I do not disagree with anything that has been said, but in our conversations with people and in my conversations with the business community outside of the set format, when it comes to security of supply, they do not feel that it is totally the RDA’s area; it is a Government problem and they should sort it out. The same sort of thing applies about renewable energy. When you get onto domestic energy and efficiency, most people would ask what in the world that has to do with the

RDA. However, the one thing which came over loud and clear to me was that they believe that it is your responsibility as far as business energy efficiency is concerned.

We collectively have to accept that people out there in the business community find it very difficult to solve that problem. I remember one person saying, 'I tried to do this and tried that. What's this organisation for, and what's that organisation for? I received my demand for my electricity and saw it had gone up, and I must do something about it'. This particular chap said to me that he made a few telephone calls, but then something else came up in his business and he forgot about it. I think we do have this major problem, which applies not only from a regional point of view, but also from a national point of view. The challenge we all have – I am not for a moment saying it is all down to the RDA – is how we find a roadmap for that organisation out there which has all sorts of pressures on it, and suddenly the electricity bill arrives and that person gets motivated, but very often they give up. I was delighted to hear you say that you feel this is a role for Business Link, and I think that is well worthy of developing. There is no problem at all on that.

How do we find our way through this jungle? If I am a businessman and I have received my energy bill and I rush around for two days and then something goes wrong with a customer and I am running around servicing them, I think one of the biggest challenges we have is if we ought to be saying that this is a real live issue and that we are not really collectively – with central Government, etc. – delivering a roadmap and support to the business community. It could well be that we need to put this on our agenda because now we are developing an approach of saying we will look at it in 6-12 months' time. The big companies can look after themselves. It is the small- and medium-sized companies that have a real problem. I think we are all agreed that it is a problem, but how do we go about solving it? That is the real challenge we have, and I think it is something we ought to keep on the agenda for the next 12 months or so. That is the one thing where we are letting people down.

Colin Skellett

I think we all agree with that. To me, there are three things we can do immediately, or very quickly. One is the development of a base pack of information that you could make available through the web and other mechanisms because that does not really exist. Secondly is developing Business Link, which provides a one-stop shop, not to provide the expertise but to know where to get the expertise. The third is to work with the organisations – things like Business West, which has several thousand members, all of whom have precisely these problems. You can tackle it in different ways, but those are the easy ways to get into small businesses. Just keep pushing the messages. Most small businesses are very receptive to this because it affects their bottom line.

Juliet Williams

To share a personal experience, I was not a natural recycler, but as soon as I had to sort it out or the council would not collect the stuff, there was an incentive to do it. I think there are incentives, ultimately. It is better that it is spontaneous and that it is a business decision, but I can see us coming down the line when there will have to be some form of penalty if one does not obey the rules. There are ways in which the simple toolkit platform could be inspected so there would be some sort of penalty if you do not take one or two of those particular steps.

Mike Bawden

That is the worrying thing: you do not know; none of us know. That is the challenge. I would like to suggest that we identify this as a real challenge and that in six to nine months' time we revisit it because to my way of thinking, renewable energy is all part of the national scene.

Juliet Williams

Colin is right about the toolkit: if there is somewhere you can go to get the right information, people will actually access it.

Colin Skellett

In terms of bang for the buck, this is the best place to spend the money. Before you get into renewables or anything else, energy efficiency is the best place to spend the money.

Jonet Waldock

There are a number of issues here. Talking about a toolkit, Carbon Trust already provides advice and will give specific support by going into a business if they have energy bills that are [£50,000?], but that does not apply to many of the businesses in the South West. They then provide advice online, but only 1% of businesses in the South West actually access any form of business resource. It is about where they need to look. It really is a problem.

Mark Walton

The point you brought up about potentially imposing penalties or holding people to account for how they address this leads back to the worrying point about the current lack of measurement. We do not know what the baseline is, we do not know what focus people are making, and there is a lack of targets. Is there any intention to address that issue of setting targets and measurement criteria by which we can assess the progress we are making?

Juliet Williams

If there is not, there should be.

Jonet Waldock

There is not a complete lack of targets. Envirowise has national targets, as well as regional targets; the Carbon Trust also has national targets.

Mark Walton

Are they outputs in terms of visits done and advice given rather than actual energy saved?

Jonet Waldock

Yes, and they then make assumptions based on the advice they have given in terms of what energy they will save.

Colin Molton

Even at the highest level this was not a joined-up agenda. The business support came through the DTI, business resource efficiency came through Defra, and Defra were not really talking to DTI. It was interesting when we saw Miliband move over to Defra and that most of the Prime Minister's letter to Miliband was around climate change. It was a completely different slant on the Defra agenda than we have seen previously. In that letter, there was a very clear requirement for Defra to join up their thinking with DTI. You have to start at the very top, and then we all have to work on it.

Colin Skellett

We also need to make sure that the public sector is doing its part. How many of the schools or public bodies across the region have this? Chanel came to us recently and said [the Welsh should be in North Somerset?]. All they are looking for is a package: 'We would like to do this in all our schools, so tell us what to do'. It is that sort of advice, as well. The public sector should be setting an example.

Mike Bawden

That is why I used the word 'we'. I think it is critical. Take the Carbon Trust. 'I am a businessman and I have huge problems, and customers are giving me stick. "The Carbon Trust". What does that mean to me? I don't have anything to do with carbon'.

Jonet Waldock

They measure their outputs in terms of carbon.

Mark Walton

The final point coming out of the eco-sector report, I would like to know how you feel you are going to address this, other than through potentially better marketing. That report identified that out of 170,000 businesses in the South West, perhaps 3,000 have access to any of these support services and that only 320 have had intensive business support, which is a pretty pitiful figure given the amount of money that is going into these areas from central and regional government.

Juliet Williams

Jonet actually hit the nail on the head. A lot of it is about language and speaking in a tongue that businesses will respond to and through the gateways they use.

Colin Skellett

'Do you want to save money?'

Claire Gibson

Our task is to actually improve the access to that support that is available. That is our focus at the moment, and so we are moving to a more coordinated, one-stop approach, mainstreaming with

Business Link to do just that. It is going to take a little longer to establish and make sure we have the right skills sitting within that structure, but that is what we are moving towards. Once we have established that, we have to understand what that means for the support providers. If it is successful, it is potentially going to significantly raise the demand on Envirowise, the Carbon Trust, or EnVision, which will be positive in one sense because it means we have been successful in raising awareness and improving access, but unless they then have the necessary support capacity within their organisations or the consultancies they then use, it is almost pointless asking a business to think about this. That is the kind of flip side that we still need to better understand. First, we need to better understand the demand that will be there.

Mike Bawden

Can I just make one suggestion? District councils or unitaries send out tax demands to the business world. How about coming up with a leaflet to put in that envelope?

Juliet Williams

Do you think we should put the positive with the negative?

Mike Bawden

That is one way that you can communicate.

Colin Skellett

My experience with water bills is that people do not read what you send them, but it is probably worth trying.

Juliet Williams

You usually have to put a positive with a positive.

Ian Munro

Thank you. We have some time to pick up some additional questions, and a number of people have signalled to me that they would like to do that. I just had a bit of déjà vu. Colleagues will remember when we sat in this very room talking about business support in the region and the penetration of that. It was a worry, was it not? We had a similar discussion about what we could do, but collectively we moved that agenda on, and we certainly put the weight behind Business Link coming under the auspices of the RDA. It is a similar parallel. There is a confusion message out there and possibly too many players. I have Howard first with a follow-up question.

Howard Thomas

It is on the subject of red tape, which colleagues in the business world are always complaining about. We in the environmental world, however, regard this as essential legislation to stop people misbehaving. Juliet mentioned the idea of sanctions for not achieving targets, which I found rather surprising coming from the RDA because I think you fear red tape, as well. I have a suspicion that the effort through Business Link and then directly to these more expert organisations behind them

seems to be the course you are set on to get this use of energy down. Surely your chief aim is to improve the bottom line of businesses and not to save the planet? Do they dovetail nicely?

Juliet Williams

I think the two live together very happily.

Colin Skellett

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.

Juliet Williams

Mark was talking about the management of waste. It is all part of the same kind of programme where it is absolutely in business's best interest to do these things.

Howard Thomas

My own feeling is that if the proportion of costs involved in energy saving is very small, it would be more difficult to engage SMEs than it would be if the costs were a more significant portion of the outgoings, such as wages.

Juliet Williams

It is about return on investment rather than actually cost.

Colin Skellett

I think there are very few small businesses which do not care about the costs. I agree with you that wages may be a bigger proportion, but energy and other associated costs are becoming an even greater proportion. It is not as if this costs money; it is simple things like turning off the heat, getting energy-efficient light and insulating properly. This is really easy. We had a wonderful example about a catering business which runs beach cafes. They have taken a bog standard business that was running fairly mediocre beach cafes and by using energy efficiency and water efficiency, and then moving on to the sustainability agenda, they have created a very good, prosperous business that is growing, on the back doing things about climate change and sustainability. This is not difficult.

Colin Molton

We do also have a remit on sustainable growth, as well.

Howard Thomas

We are aware you have that remit; it is in the RES. It is really your contact with those SMEs to which I was referring. Frankly, it seems a question of how much time they have in a day.

Dominic Vincent

It is the generic issue we mentioned before. There are a large number of SMEs in this region, and it is a business support and engagement issue. The biggest driver is going to be cost for them.

Saxon Spencer

Richard Young and I did the meeting with EnVision, and we were very struck with the work they were doing, but, of course, it was linked with objective two and they said there was a big hole in Somerset. It is a very uneven spread of advice. The question really arises from that because they were talking about work they had done with a hotel, and you think about the Eden Project. There does seem to be a read-across into green tourism, but it is a positive selling point for the sort of enterprises you are talking about if they can demonstrate to the public that they are taking these issues seriously. How much do you spread across your ideas looking at the environmentally sustainable aspects of tourism in conjunction with the renewable and sustainable energy?

Juliet Williams

I think we are getting a lot better than we were. We could have been charged with working in silos, and probably still are. However, I think we are 1,000% better than we were a year or two ago and are coming through now to being much more strategic and inclusive.

Jonet Waldock

In terms of linking up with South West Tourism, we have been talking with them about what we are proposing to do as part of our programme and how they feel they can interlink with that.

Saxon Spencer

Perhaps you need to get something on *The Archers* or some of the soaps.

Colin Skellett

When you look at linking across, local authorities often go and look at what people like South Hams have done in terms of promoting sustainability and green tourism. There are really good examples of what a local authority can do to change business attitudes.

Overarching Issues

Ian Munro

Thank you very much. I do not think there are other questions, and so we will move straight into some of the overarching issues, which will pick up on some of the earlier themes. It sounds to me there is a lot of positive work going on and that there is a real commitment from the RDA to this area. I think you have identified some of the ways we can work and help celebrate some of that success and get it out further. Do you have a feel about how well you are doing in relation to other

RDAs? Have you a barometer? You do benchmarking and comparisons, and it would be interesting to hear how you think you and we are doing.

Juliet Williams

A few weeks ago we joined the North West and the South East to go to Sellafield and had three hours on a bus with all of them, which gave us the opportunity to talk about energy and what each of us was doing. That was probably one of the most valuable conversations one can have when travelling on a bus. It was very useful from that standpoint.

The overview that I got was that each of us actually has experience the others need to share in a particular field. There was no that what came out of that was that in the whole renewables area, we had a lot to teach everyone, so much so that the other two regions wanted to come down here and look at what we are doing. When it came to nuclear, there was no doubt the North West had spent a lot of time with the de-commissioning authority and with British Nuclear Fuels and had really made it their business to understand what is happening in that area; that is what they were sharing with us. As far as the South East is concerned, it was gas fire and gas storage. It seemed that we were not behind anybody, but that we were actually capable of bringing something to the party. None of us could have a total picture or even be equipped to have the total picture.

Claire Gibson

That is a good summary of where we are at. We do have contributions to make because we have done very well in certain areas, but we also need to learn from other regions which have had a slightly different focus over the last few years. The RDAs do work very well together as a collective group at all sorts of levels, but so to do the energy leads. On a fairly frequent basis, Dominic and his counterparts will meet to discuss some of the issues that are common across RDAs to try to learn from the best practice that is happening elsewhere. Importantly, they will discuss that with the DTI. We do need to keep remembering their role. DTI is very actively engaged in those meetings, and we have been able to influence a whole range of policy debates and various initiatives that have come through over recent years. We are doing well in some areas and are trying to learn from RDAs in others, but there is a real partnership approach to work more effectively together on some of these challenging issues.

Juliet Williams

Rather than necessarily meeting as a total group of nine regions, it was really useful to have a smaller number because it was easier to engage. We seem to have created that now.

Colin Molton

There are a couple of other areas where we would say that compared to other RDAs we have something to offer. We are seen as one of the RDAs that is keyed into the renewables agenda, which is partly because we are a very rural area and have worked with Defra over the years. I think that we are also seen nationally as one of the RDAs that have a sustainable development culture embedded within it. That is seen as a real plus, particularly in Defra. As an organisation, you mentioned a commitment to this agenda. I think that does run across a lot of the activities in that cross-cutting way we were mentioning earlier.

Chris Irwin

When we saw the DTI representatives, they were very flattering about the RDA's work generally, but they then drew our attention to the Defra annual report, 'Creating a Low Carbon Economy', the annual progress analysis on the regional implementation of the White Paper. My heart filled when I read it and found that we are ranked seventh out of eight of the regions in terms of generation from renewable resources. Reading into the text itself, I found that was not just a glitch you would blame on the planning; I assumed then that it had something to do with the Liberal Democrats in the region. It also said in measured tones that there was less progress in the region than was hoped for on regional energy efficiency and affordable warmth strategies, which in a way comes back to the conversation we were having earlier. I am not saying it is your responsibility, but it is clearly a murky area that it would be remiss not to acknowledge.

Juliet Williams

I think that the ball has started to roll now. Here we are having this debate, and I think that is a measure of the acceleration in terms of the way in which we are looking at these things. I do not really think it is an apolitical issue.

Chris Irwin

You used a very interesting phrase just now when you talked about something being strategic and therefore inclusive. Reverting back to the RES and the bits that touch on energy, in a sense the great debate part touches more on energy than any other paragraph. I have a meeting on Friday about the new scrutiny protocol, which is agreed between officers of the two organisations and I think speaks helpfully in terms of needing jointly to share responsibility for agreement on regional strategies. Are you ready to move a bit more towards the notion that this strategic and therefore inclusive regional relationship might actually open these great debates not just to joint participation, but to working together and trying to define areas of collaborative activity?

Juliet Williams

It is very interesting you should ask the question because this is a conversation I was having with Ian and Brian an hour ago, which in a sense was triggered by something Saxon said this morning. It has certainly struck me that what we need to develop is this strategic concordant that has been talked about. Then, having developed that, we have to follow the model of The Way Ahead, where everybody who needed to buy into and take action out of that particular concordat needed to be sitting around the table almost as a task-and-finish group that came out with an implementation plan. That model worked brilliantly because the key influencer and decision-maker in each of the areas was sitting around the table for the sake of nine monthly meetings, and it was chaired by Brenda Dean, who actually brought the thing to a conclusion. It really worked well in terms of making sure that the achy growth areas, which would never have talked to each other in that way, under a good chair and under those who were actually interested, like the Government Office, the Assembly and the RDA, had at the end of that nine months an implementation matrix and a group of people who were going to make sure it was monitored and that progress happened in the way that it was due to be delivered. It almost seems from what has happened today that a similar model might be hugely appropriate here, with things like the Skills Partnership, some of the Sector Skills Councils, housing and planning so that you have the groups of people who can really make a difference.

Claire Gibson

That is a quite interesting comparison which I have not thought through in terms of The Way Ahead work. There are two issues here. There are the South West debate and the process we are going to be embarking on soon to try to better inform us about the economic issues around energy so that the next RES is more robust on the issue. As part of that process, we will be establishing a group of key partners to help us scope out what that debate needs to deal with, the sorts of issues it needs to cover and the process that we embark on over that six to nine month period. The RDA will be steering that exercise, linking in with the other debates.

Chris Irwin

I think that is the point I was trying to obviate. Once or twice today, and I did it quite unfairly when I picked up the report on the regional implementation of the White Paper, we have in a sense been trying to pin on the RDA responsibility for things for which it is not responsible. One of the lessons I have heard very clearly today is that the housing remit is not the RDA's, and therefore domestic energy efficiency does not really sit here. The planning function, giving permission to renewable sites and so on, does not sit with the RDA. What I was trying to get across was that the only way out of the silos is to use Juliet's model. It is not just feeding into the RDA or RDA guidance; it is pulling together as a collective.

Claire Gibson

That is why I said there are two components. 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 is more about delivery and relates to what Juliet is talking about to make sure we are integrating across the different remits and making sure that partnership is strategic and inclusive. The comments that Juliet made are possibly about those usual suspects sitting around the table who might have met to think about what a sustainable energy partnership would look like; they might not have thought automatically about the Regional Skills Partnership. 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.

Chris Irwin

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.

Juliet Williams

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

Howard Thomas

I would like to come back to this comparison with other development agencies. Apart from those very interesting conversations you had on the bus, is it possible to distil from the annual budgets of

the RDAs how much you could sensibly say they are spending on the sustainable energy issue compared with what we are spending?

Claire Gibson

I think it is hard for us to tell you on this agenda. We have given you a renewable energy figure, but we have not given you a total figure because it is integrated throughout a range of our activity. I therefore suspect it would be difficult for other RDAs to do the same.

Colin Molton

It is almost impossible; it is a bit like Government – they spend their money 15 times over. If you asked us how much we spend on rural, we might have a block of money which specifically goes to rural, but we have lots of other activities through skills, innovation and other things which also affect rural areas, and so could attribute some of that resource to rural. It is very difficult to do, even within our own organisation.

Juliet Williams

Take, for example, something like Eden: you could put that money into tourism, regeneration, this agenda or energy.

Howard Thomas

You could relate your investment to your targets. Yes, you could do it in different ways, but in your conversations with colleagues around the country, if you ask them what they are doing, they are going to tell you something. They might mention organisations they sponsor. There will be some way of measuring.

Juliet Williams

One of the biggest difficulties we have is the differential sizes of the budgets. We talk about the North West, which has a budget over three times larger than ours. However, it is nothing like the geography. In many respects, it is actually quite difficult to make those comparisons, although we do it. In a sense, you are mixing apples with pears.

Colin Molton

The more important questions are what else we should be doing as a region, are there things that we should stop doing, and what are the key priorities? Let us focus on those moving forward.

Howard Thomas

They say that we are becoming very similar around Europe. Going outside this country to other nations where presumably they have economic development agencies, or whatever they call them, I wonder if we have a feel what others are doing in this area.

Juliet Williams

In deference to you, these are the sorts of questions I would like to see this task and finish group ask for, as well as for information and knowledge if it deemed it to be important to the argument and debate it was having. One of the things that is important about what Colin just said is what we should or should not do, or what other people are or are not doing that may or may not be related to us. One of the reasons that I think it is very powerful to get the partners together around a table determining what the key issues are is to make sure that the work or research we are doing is appropriate to the principle issues we want to address. That is the huge value of using The Way Ahead model, which means we shall minimise the risk of spending our money unwisely in the context of what we need to know and understand.

Ian Munro

It has certainly come across throughout this whole process that we need to provide focus to this whole area. In our interviews, one to ones and workshops, the fact came across that there was a plethora of well meaning organisations that have sprung up over a number of years, clouding the playing field. It comes back to the businessperson asking who they go to. This is a real opportunity to grab this, shake it up a bit, decide what we want out of it and almost set the agenda going forward. That is something we could usefully get to today.

Chris Irwin

There is quite a good line in the introductory note to the RES that says the strategy has to resist promoting everything as being of equal importance.

Saxon Spencer

We have gotten very immersed in this study and have talked to people in the field who feel it is a passionate and urgent concern, and so we need to understand how far you see it as a priority and how far you are going to address those priorities. I also think that we should not forget what you said about what you call marketing, which is about getting a common understanding. We all need to think very carefully about who is putting forward ideas because, unfortunately, there is a perception that the RDA is coming in, telling local people what to do and not really connecting with the locality. If we are going to have a sustainable energy partnership, we need to think very carefully about how it is led and how it is perceived because if something is promoted, you can do a lot of harm to be appearing to be promoting something without having gained that buy-in. There is an opportunity there.

Juliet Williams

What you have said is very important for another reason. One of the crosses that the RDA has had to bear until the last 12 months is that we have been delivering inherited projects and plans. It is only really over this last six months and the period of putting together this RES that we have actually been able to throw off the fetters, take the high ground and ask what our priorities are and what we should be doing for the region, which is why the evidence base is so key. In many respects, it does not actually come as a surprise that the models need to be different and that we need to look and decide what our absolute priorities are. I am totally confident that this whole debate is one of our biggest priorities. The fact is that we are going to have to handle these things in a different way, sell them in a different way, manage awareness in a different way, and use a

different kind of language in order to make sure that those publics who need to buy into the debate can and have a way of doing it.

Colin Molton

There is also a very delicate balancing act between the sort of engagement you are talking about and the sort of cries out there for leadership to be shown in the region. We hear both calls, and it is very difficult for us sometimes to tread that tightrope.

Howard Thomas

I would like colleagues from the RDA to realise that whilst we ask questions which are sometimes not easy to answer, as a panel member, I have been through three or four of these sessions and very much appreciate them. A few years ago, you did not exist, and there are one or two people around this table who, if they had the power, would see that you would not exist again. In the meantime, while you are with us, we should regard ourselves as a task and finish group, and from what I have heard so far I am very encouraged. That is just a personal view.

Ian Munro

Thank you very much.

Peter Metcalfe

I want to address my question to Regen. You produced a very interesting submission as part of the energy review in which you laid out a range of potential solutions, which were rather nice to read. What are your aspirations? How do you see your future role in delivering some of those solutions? Although they are dependent on other parties, what can Regen do to enable those other parties to cooperate?

Matthew Spencer

I think we asked for four different things, some of which are dependent on the outcome of the energy review and central Government's decisions and some which I think we can aspire to take forward irrespective of the outcomes of the review. I think we are in a really strong position in the region to develop leadership on renewable heat. We have a target in the draft RSS, we have some leading companies who can install it, and we have lots of the region off the gas grid paying very high bills for conventional energy who are actually very close to being able to afford renewable energy as a more cost effective solution if we get central Government grants coming through to help the capital costs.

As Claire mentioned, we have been trying to pull together a regional programme on biomass heat, which is the biggest bit of the renewable heat agenda. Depending on how that goes over the next few months, I think we have something to roll out that will really increase the uptake of heat; increase confidence in the fuel supply chain, which has been a big barrier in biomass; and mean that we get to the conditions where we have a commercially viable sector, and a leading sector, in the country. We are not that far off it at the moment with high oil and gas prices; it just needs a small push and I think we can get there. I think we can do that almost irrespective of the outcome of the energy review, although there are some issues we need to influence nationally.

The other one that I imagine we can take forward irrespective of the outcome is the proposal that there be more responsibility for renewable electricity targets at a district and local authority level. We have been in a rolling process of negotiating over the last three years county targets for renewable electricity, which has been an incredibly productive and fruitful process in which every one of the seven counties agreed to a target. It had its limitations in that we did not engage the districts particularly well in that process, but we did get good understanding and agreement from the counties.

We have gone on through the REvision 2020 process to look at how we can expand the range of targets to cover heat and building integrated renewables and what our aspirations are for 2020. Those have all gone into the RSS, which is fantastic, assuming that Government Office does not throw them out.

The next stage is to go down to the lowest level of planning at the district and unitary level, get agreement and give them support to get agreement on district-level targets and action plans. That is a big job – it is far bigger than the previous two jobs I talked about – and so we may not be able to do it all at once, but I think we can do it through a planned process where perhaps we work with one county and all of its districts to see how far we can get because it is obviously quite important to keep everyone going in the same direction. One of the ideas I put forward before was to create a panel of experts who could be called upon by districts who are trying to do it themselves. I think a lot of the districts will be very interested in taking that forward; North Devon and Torridge are already in the process of doing it, and I am sure there are others, as well. Of the four measures we put forward, those are two areas where I have hopes that we can make progress.

There are other things not in the review. We are in a very strong position to become an international centre for marine renewable energy. We are leading the UK at the moment in respect of wave with the proposal for the wave hub, which will hopefully be the first place where the first wave farms in the world will be situated, which in turn will lead to a whole series of other developments if we get it right, including academic and intellectual services that will run alongside it, as well as device development. I think we can probably do a lot on tidal stream, as well, especially now that Marine Current Turbines have moved into the region. We have another couple of companies around Bristol which are moving forward very fast on tidal stream, as well.

Peter Metcalfe

They are all potential investment opportunities.

Mike Bawden

I have had feedback about The Way Forward and am quite comfortable that we can use this as a pilot scheme on this occasion, but I still feel that we must make sure the Regional Assembly picks up trying to get district councils and unitary planning authorities to seriously consider the way of approaching it. Unless the new Secretary of State has a different agenda to the previous Secretary of State, local authorities are being charged with community leadership, which I think is something which we should address. We must also not forget about our housing responsibility, which is absolutely critical, as well as our planning responsibility. As long as those are built into that process, I would be very comfortable with that.

Brian Clements

What about the unitaries in the point about the renewable electricity targets and engaging the seven counties? You do not have a regional total.

Matthew Spencer

The county targets were calculated on the basis of the input from the unitaries.

Brian Clements

I also wanted to ask about was biofuel and biodiesel. It seems to me the availability of that route is quite important and something we could be moving ahead with. I have a fear that entering into another great debate should not hold back actual action.

Matthew Spencer

Biofuels for the transport market is going to expand very rapidly now that the Government have announced their renewable transport fuel obligations. It is a very powerful financial instrument that is going to drive the oil companies, or petrol sellers, to incorporate 5-10% renewable fuels. It does pose some challenges. Because it is such a big instrument and because oil and biofuels are an international rather than national market, there is a high probability that some of the fuels will be coming from overseas, such as from Brazil or, in the worst case scenario, Indonesian palm oil plantations and so on. There is nothing in the mechanism that guarantees UK content.

Having said that, there are clearly transport costs which are much reduced if you produce it within the country, and I think the initiative from Wessex Grain here in Henstridge is really fantastic. This is going to be the first bioethanol refinery in the country, which they hope to roll out to have another five or ten plants over the next few years if they can prove to their financial backers that the first one is viable. They are likely to get first mover advantage because they have been planning this for three years, and it is a great example of where innovation and forward thinking is coming out of our agricultural sector. As you probably know, Wessex Grain was founded by farmers who still have very strong local routes and are still growing and trading crops. There is hope, and the original motivation for going into bioethanol was that they could stabilise the market for wheat, creating a floor for the price of wheat so the commodity prices would rise, allowing local farmers to benefit from what they were doing.

Concluding Comments

Ian Munro

Thank you very much. I think we were drawing to a position where we were really focusing on some key strategic issues, and I think the danger is that we are going to get too much into specifics. We have had a very good debate and discussion, and I think we have made some real progress. I keep hearing 'the great debate' popping up, but I think today has been the great debate, as far as I am concerned. We have moved that on and are suggesting a real focus in the region for how we

take this agenda forward and how we discuss it. Juliet has come up with some suggestions about the way forward and how we might get the right people in the right place at the right time.

Juliet Williams

This is about bringing local, regional and national issues together. Perhaps we could get a minister to chair it, which the North West has been able to do. If we could get a minister or senior official to chair it, the linkages nationally become much easier to achieve. I do not know, but it would certainly be worth a try. We might even manage to do it because there is a precedent elsewhere.

Ian Munro

Once again, that is the way we like to work in the South West – you have heard ‘partnership’ come through loud and clear, which is something we feel strongly about, and we do have to capitalise on that. I am also pleased about the way the scrutiny team has heard some of those powerful messages about what we can do in terms of the opinion-changing the Assembly has to do, and there are things we might have to go back and think about. That has been very positive for us.

I would like to thank you for a very open, frank discussion. Clearly we cannot cover all the ground in a day as this is a massive agenda, but I do think we have done a credit to the region. We have represented well stakeholders’ views in our questioning, and I think the answers that came back show the seriousness of the debate we have had, which bodes us well for taking this forward.

Thank you to all the members of the scrutiny team because this is a lot of work for you and a lot of reading. You do yourselves credit in terms of how you have been able to get your heads around a very complex subject. Thank you for that. Thank you also to our colleagues behind the scenes, including the academics who have supported us and the Secretariat, which has done a fantastic job.

Juliet Williams

I would like to thank all of you. This is the first scrutiny panel I have ever been near, and I have to say how I have enjoyed it and the debate that has occurred. I hope that going forward we shall be able to have the open debate we have achieved here when we face future issues. The partnership that has been endorsed by the approach that people around the table have taken is something that as far as energy is concerned is the kind of approach, attitude and standard we take forward. I also understand that this could be Ian’s last scrutiny, and so on behalf of everyone, it would be wholly inappropriate not to thank you for doing the job you have done.

Ian Munro

Thank you for that. In the next stage we will pull together a number of recommendations that go through the process, which we aim to do in six weeks. We will share that with you in the normal way.

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