

<b>Decision maker:</b>	<b>Assistant director environment and place</b>
<b>Decision date:</b>	12 April 2017
<b>Title of report:</b>	LEP Energy Strategy Fund
<b>Report by:</b>	<b>Energy Strategy Officer</b>

## Classification

Open

## Key Decision

This is not a key decision

## Wards Affected

All

## Purpose

To seek approval to accept £50,000 from the Department for Business, Energy and Industrial Strategy (BEIS) for the development of a Local Enterprise Partnership (LEP) wide energy strategy.

## Recommendation(s)

- (a) **To accept grant funding of £50,000 from the Department of Business Energy and Industrial Strategy (BEIS) and;**
- (b) **To procure the project and implement it as set out in the report.**

## Alternative options

- 1 Not to accept the funds and not to proceed.
  - If the council chooses not to proceed, the allocated funds would not be drawn and the LEP-wide energy strategy work would not be undertaken.

## Reasons for recommendations

- 2 These funds present an opportunity to bring together work already completed across the Marches LEP, build upon the existing work and bring it together into a single document which will also identify any relevant gaps necessary to inform strategy development.

- 3 The grant will fund the development of an energy strategy taking into account the updated evidence base and undertaking a programme of extensive stakeholder engagement in order to shape the following outcomes:
  - Identification of the energy opportunities, challenges and resultant priorities;
  - Development of an LEP-wide action plan.
  - Identification of funding options to deliver low carbon energy projects.
- 4 Outcomes of this work will feed into the 2017 review of the Strategic Economic Plan which sets out LEP economic growth priorities and identifies opportunities for strategic project and programme development.
- 5 The information will be used in working with stakeholders to more effectively plan and programme strategic site development, ensuring this happens in full knowledge of business demand, low carbon options and alignment of public and private investment.
- 6 Carbon reduction opportunities for the future through the delivery of the strategy.
- 7 This funding opportunity provides Herefordshire Council the opportunity to lead the energy strategy, which is likely to lead to energy benefits for Herefordshire.
- 8 Considers infrastructure and supply which is a key energy security consideration going forward. This includes clean growth, energy storage and grid technologies which are highly applicable to the future vision of the LEP area.

## **Key considerations**

### **Background**

- 9 Energy underpins local economic growth and as well as delivering growth by growing the sector locally. The Industrial Strategy Green Paper highlights several ways in which energy will need to be considered in order to build an economy that works for everyone. These include:
  - Upgrading energy infrastructure in order to enable growth
  - Building the energy infrastructure we need for new technologies
  - Delivering affordable energy and keeping energy costs down for businesses
  - Delivering clean growth and securing the economic benefits of the transition to a low carbon economy
  
  - Investing in science, research and innovation, including energy storage and grid technologies
  - Supporting businesses to start and grow

### **Community impact**

- 10 Energy cuts across all communities and working towards a future where energy is affordable and secure for all is a powerful and important community impact.

- 11 The potentially significant financial and GHG savings that could be achieved through an effective strategy demonstrates our commitment to community leadership on carbon reduction, energy security and access to affordable energy.

## **Equality duty**

- 12 Formation of the strategy and associated documents will take place in accordance with Equal Opportunities legislation and demonstrate a commitment to the values of diversity and inclusion; energy security affects all residents, this study seeks to improve energy security and to help tackle fuel poverty.

## **Financial implications**

- 13 The total project value is £50k. This is fully funded by BEIS.
- 14 Herefordshire Council will act as the accountable body on behalf of the Marches LEP.

## **Legal implications**

- 15 All procurement will be undertaken in compliance with the council's contract procedure rules.

## **Risk management**

- 16 Whilst led by the Energy & Environmental Management Team, the Delegated Grants team will be providing support on governance and compliance.
- 17 In addition, the project will be included in the Council's internal audit programme for 2017/18 to ensure compliance with the MOU.
- 18 Not proceeding with this funding opportunity to carry out the development of a LEP-wide energy strategy could delay future projects leading to reduced energy security and affordability.

## **Consultees**

- 19 This proposal has been developed in partnership with the Energy and Environmental Management Team, Delegated Grants Team, Economic Development Team and the Marches LEP.

## **Appendices**

- Appendix 1 – BEIS Bid / proposal as funded by BEIS.

## **Background papers**

None identified