

CABINET 19 NOVEMBER 2015

WORCESTERSHIRE COUNTY COUNCIL RENEWABLE ENERGY STRATEGY AND RENEWABLE ENERGY RESEARCH PAPER

Relevant Cabinet Member

Mr A N Blagg

Relevant Officer Director of Business, Environment and Community

Recommendation

1 The Cabinet Member with Responsibility for Environment recommends that Cabinet:

- (a) adopts the Worcestershire County Council Renewable Energy Strategy; and
- (b) endorses the Worcestershire County Council Renewable Energy Research Paper.

Background

2. Worcestershire County Council, as a major user of energy, a major landowner, and a potential investor, is well-positioned to capture the economic, social and environmental benefits of renewable energy. To deliver the FutureFit commitment to *"a clear and consistent approach to the use and application of renewable energy in the county"*, a Renewable Energy Strategy has been prepared which sets out the authority's position on developing renewable energy, either alone or in partnership with others.

3. The Renewable Energy Strategy clearly and succinctly states Worcestershire County Council's stance. The Strategy's aims are:

- To increase renewable energy generation in Worcestershire
- To secure new income streams for Worcestershire County Council from renewable energy
- To improve Worcestershire's energy security, and
- To reduce carbon emissions from energy use.

4. Alongside the Strategy, a Renewable Energy Research Paper has been produced to provide more information on the benefits of renewable energy and what development of renewables could mean for Worcestershire. This is intended to replace the Council's current 'Planning for Renewable Energy in Worcestershire'

technical research paper, published in 2009, and reflects changes to technologies and planning policy, etc.

5. Public consultation on both the draft Strategy and the draft Research Paper was carried out in February and March 2015. Responses were received from District and County Council departments, Historic England and the Woodland Trust.

6. Various amendments to the strategy were made in light of the consultation responses, including:

- clarifying the Strategy's status and the time period it covers
- referring to additional relevant policies
- reflecting the new Place Partnership
- avoiding the impression that significant levels of development are a certainty
- referring to the natural and historic environment, and
- noting that the County Council's social, environmental and economic policy must be met.
- 7. Changes made to the Research Paper as a result of consultation include:
 - a new section on the lack of capacity in the local distribution network
 - recognising that timber from existing woodland can play an important role in sustaining rural communities, and
 - recognising the need for sensitive biomass harvesting.

Reducing Expenditure and developing new Income Streams

8. In recent years, the Council has felt the impact of increasing energy prices, with annual electricity and gas costs now reaching almost £6 million across our estate. Officers have been exploring the potential that the Council's land and property assets could have to generate energy, provide guaranteed income streams, and reduce our expenditure. If viable schemes are identified, the Strategy will provide the overarching justification for taking projects forward.

9. The Council has not previously sought to maximise its resources for income generation in a co-ordinated way across the entire Council estate; the well-established 'Spend to Save' fund has provided low-cost loans to allow schools to install solar panels but the income and savings from these are retained by individual schools. The Strategy sets out a new approach that, alongside Spend-to-Save, would also set a context for larger-scale opportunities that would deliver financial benefits directly to the Council.

Supporting the Green Economy

10. The Worcestershire Local Enterprise Partnership's Strategic Economic Plan recognises that *"renewable energy generation has the potential to relieve pressures on the existing energy infrastructure, as well as providing potential employment opportunities and cost reductions"*. The Council can play an active role in supporting these ambitions through both partnership working and the delivery of its own schemes.

11. The development of renewable energy provides opportunities for local employment and can support local supply chains. While some of the economic

benefits may be felt beyond the county (and even beyond the country), more localised benefits are also likely through employment and related spending in the local area.

Financial Implications

12. Adopting the Strategy and endorsing the Research Paper will have no direct financial implications. If projects are taken forward, individual business cases will be developed and only those projects that can demonstrate a competitive return will be considered for approval.

13. Current proposals to reduce the rate of the Feed-in Tariff are likely to reduce the financial attractiveness of larger-scale electricity generation from renewable sources in the short-term. The payments, however, are not the only factor affecting viability; site-specific capital costs of installation and opportunities to sell electricity direct to suppliers will be monitored, and the return on investment may improve if conventional energy costs continue to increase.

Equality and Diversity Implications

14. An Equality Relevance Screening has been completed in respect of these recommendations. The screening did not identify any potential Equality considerations requiring further consideration during implementation.

Privacy Impact Assessment

15. No privacy implications have been identified.

Supporting Information

The following are available electronically and at County Hall Reception:

- Appendix 1 Worcestershire County Council Renewable Energy Strategy
- Appendix 2 Worcestershire County Council Renewable Energy Research Paper

Contact Points

County Council Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Director of Business, Environment and Community) the following are the background papers relating to the subject matter of this report:

October 2015 update paper on Worcestershire County Council renewable energy investment opportunities