

CABINET MEETING – 22 JUNE 2011 EXECUTIVE SUMMARY SHEET – PART I	
Title of Report: PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE: LOW CARBON ECONOMY POLICY REVIEW FINAL REPORT	
Author(s): Prosperity and Economic Development Scrutiny Committee and Deputy Chief Executive	
Purpose of Report: To set out the recommendations of Prosperity and Economic Development Scrutiny Committee following the Committee's review into the low carbon economy.	
Description of Decision: The Cabinet is requested to consider the Prosperity and Economic Development Scrutiny Committee's Policy Review Final Report and approve the recommendations contained within the report. To assist the Cabinet in its determination of either approving or rejecting the proposed recommendations of the Prosperity and Economic Development Scrutiny Committee, attached as Appendix A is the proposed Action Plan for the implementation of these recommendations which has been prepared in consultation with the appropriate Portfolio Holder(s).	
Is the decision consistent with the Budget/Policy Framework? Yes	
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reason(s) for Decision: The recommendations and comments of the Scrutiny Committee reflect the findings of a detailed review of the service area.	
Alternative options to be considered and recommended to be rejected: There are no alternative options recommended.	
Is this a "Key Decision" as defined in the Constitution? <div style="text-align: center;">Yes</div>	Relevant Scrutiny Committee: Prosperity and Economic Development Scrutiny Committee
Is it included in the Forward Plan? <div style="text-align: center;">Yes</div>	

PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE: LOW CARBON ECONOMY

REPORT OF THE PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE AND THE DEPUTY CHIEF EXECUTIVE

1. Purpose of Report

- 1.1 To advise Cabinet of the recommendations arising from the Prosperity and Economic Development Scrutiny Committee's review into the Low Carbon Economy.

2. Description of Decision (Recommendation)

- 2.1 The findings and recommendations of the Prosperity and Economic Development Scrutiny Committee be accepted. However, where there are any recommendations which have financial implications, these will be outlined in the Service Directorate's response, attached as **Appendix A**.

3 Background

- 3.1 On 18 June 2009, the Scrutiny Committee agreed to undertake a policy review into the development of a Low Carbon Economy in Sunderland. Members chose this theme in order to review the progress being made to reduce carbon emissions and in view of the potential importance of developing of a low carbon economy to the future economic prosperity of the city.
- 3.2 At the start of the review, the Committee felt that it was important to be clear about what is meant by the term "low carbon economy". A low carbon economy is usually defined as an economy that aims to reduce the carbon dioxide and greenhouse emissions associated with climate change while at the same time exploiting alternative energy resources in recognition that fossil fuel reserves are finite.
- 3.3 The Committee gathered evidence from a wide range of organisations including the University of Sunderland, Gateshead College, City of Sunderland College, Gentoo, the Chamber of Commerce and Nexus. In order to gather a wide variety of evidence, members visited Great Eppleton Wind Farm, Nissan, the National Renewable Energy Centre (NAREC) and a variety of schools exploring their approach to developing a low carbon place.
- 3.4 The Committee also considered evidence from three sector working groups which have been established to take forward the business aspects of developing the low carbon economy. These working groups include Ultra Low Carbon Vehicles, Offshore Wind and Software.

4 Key Points Arising from the Review

4.1 Several themes emerged during the evidence gathering for the policy review and the Committee was able to draw a number of conclusions from this:-

- It is important to be clear about what we mean when we use the term “low carbon economy”. For the Committee, a low carbon economy is best defined as an economy that minimises its greenhouse gas emissions; minimises its reliance on fossil fuels; develops and manufactures low and zero carbon technologies and develops its knowledge and skills to create green jobs;
- The council can play an important role in championing and providing local leadership and making a very visible commitment to tackling carbon emissions. The adoption of a revised Carbon Plan to run from 2012 to 2020 should help focus the efforts of the Council and the city in identifying projects and policies that will help meet its targets for reductions in carbon emissions;
- The council should undertake further feasibility work in order to identify those Council buildings that are most suitable for the installation of solar PV and also undertake feasibility work to assess the potential for district heating networks across the city and business models for how they can be developed;
- It is important that the Council continues to work closely with local partners, particularly local universities and colleges in order to develop the local skills base and our low carbon infrastructure;
- The Committee feels that the council should look to encourage joint working between schools that are introducing low carbon technologies and consider methods of engaging with all schools to encourage the take up of energy consumption measures; and
- In terms of Low Carbon Business, the Economic Masterplan identifies three priority sectors of the local economy which have the greatest potential for growth and job creation - ultra low carbon vehicles; offshore wind - energy generation and the development of the Software City initiative. In line with the philosophy underpinning the principle of Low Carbon Economic Areas, the Committee supports the approach being pursued to adapt and enhance the City's existing business base, workforce skills. This should allow acceleration in the growth of low carbon industry in places where there is already economic strength and provide a common focus at the local and regional level for sectors. For example, the City is already positioned as the national hub for the production of electric vehicles and central to this has been the success of Nissan's Sunderland plant in securing production of the Leaf electric vehicle.

5. Response of the Directorate(s)

- 5.1 To assist the Cabinet in its determination of either approving or rejecting the proposed recommendations of the Prosperity and Economic Development Scrutiny Committee, attached as **Appendix A** is the proposed Action Plan for the implementation of these recommendations which has been prepared in consultation with the appropriate Portfolio Holder(s).
- 5.2 The Office of the Chief Executive is responsible for the programme management and delivery of the climate change and low carbon economy agenda. The action plan has been produced by the Office of the Chief Executive to respond to each of the recommendations in the report. The pace at which the recommendations can be implemented will depend upon several factors, including the availability of resources and the participation of local partners and businesses.

6. Reasons for Decision

- 6.1 The recommendations are intended to support the future development and improvement of the city going forward.

7. Alternative Options

- 7.1 The recommendations will explore a range of potential options for the progress of the low carbon agenda.

8 Consultation

- 8.1 The findings in the report are the result of consultation and evidence gathering by the Scrutiny Committee.

9. Background Papers

- 9.1 The following background papers were consulted or referred to in the preparation of the report:
 - Prosperity and Economic Development Scrutiny Committee's Policy Review 2010/11 – Low Carbon Economy Final Report

Appendix A

Prosperity and Economic Development Scrutiny Committee Low Carbon Economy: Policy Review recommendations 10/11

Ref	Recommendation	Action	Owner	Due Date	Progress Commentary
(a)	The Council consider the development of a revised Carbon Plan to run from 2012 to 2020 in order to identify projects and policies that will help meet its targets for reductions in carbon emissions	<ul style="list-style-type: none"> - Stakeholder engagement with streetlighting, fleet, business travel and energy colleagues to scope project ideas to inform the revised Carbon Plan – Summer 2011 - Carbon and financial evaluation of proposed revised Carbon Plan projects undertaken and draft revised Carbon Plan ready – December 2011 - Final draft of revised Carbon Plan, which will compliment CRC and Energy Performance of Buildings Directive requirements, ready for adoption – March 2012 	Kathryn Warrington	Adopted 8 year Carbon Plan by 31 March 2012	<ul style="list-style-type: none"> - 4th year progress report of the first 5 year Carbon Plan (2006/7 – 2011/12) will be available Autumn 2011, which will show whether the first Carbon Plan is on target to meet it's 10% reduction target - Final progress report on the first Carbon Plan will be available Autumn 2012 and will show whether the initial 10% reduction target has been met - Capital Strategy Group agreed to a 10% (£300,000) energy consumption reduction target from council buildings during 2011/12 - Through its Sustainability Policy, the council has already committed to a 30% reduction target by 2020, the revised Carbon Plan will set out how this can be achieved

(b)	<p>The Council considers the introduction of staff champions to lead on reductions in carbon emissions in buildings</p>	<ul style="list-style-type: none"> - Work has already commenced with Corporate Communications to establish Sustainability Champions or “Communities of Interest”. These employees will help raise awareness to their colleagues on a range of sustainability issues, including for example, carbon management, waste and sustainable procurement - Corporate Communications are developing a brief for the Sustainability Communities of Interest, similar to that of the Change / Communication Champions. Once agreed, the group will be promoted and employees will be asked to nominate themselves or colleagues to join the Community of Interest - Training will be needed to provide the Communities of Interest with all relevant information needed to help champion sustainability priorities across the council. This will coincide with a council wide sustainability e-learning module which is currently being developed 	Kathryn Warrington	<p>Sustainability Board and Communities of Interest proposal to be agreed by Autumn 2011</p> <p>Communities of Interest in place, training carried out and bulletin board is live – March 2012</p>	<p>A proposal for the Communities of Interest and a Sustainability Board as per the recommendation of the Sustainability Policy has been made and is currently awaiting Head of Service approval</p>
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(c)	The Council undertake further feasibility work in order to identify those Council buildings that are most suitable for the installation of solar PV	Currently awaiting the finalisation of the Property Rationalisation project to identify which council buildings will remain to deliver council services in the future. Once the final property portfolio is known, buildings will be assessed to ascertain their feasibility for solar PV	Andrew Atkinson, Kathryn Warrington	March 2012 (information to inform revised Carbon Plan)	Currently working with 3 Secondary Schools looking at the feasibility of solar PV on their roofs
(d)	The Council investigate the options for the installation of solar PV and other renewable electricity, whether this be through rent a roof / land rental or through an invest to save mechanism to benefit from Feed in Tariff (FIT) income	Once the feasibility of solar PV has been carried out on appropriate council property, a business case showing financial modelling will be needed to inform the best approach through which to install solar PV on council buildings	Andrew Atkinson	March 2012 (to inform revised Carbon Plan)	The Energy Conservation Team are currently looking at this and exploring not-for-profit based finance mechanisms
(e)	The Council provides an updated report on the implications of the Renewable Heat Incentive (RHI), once further details become known	The Energy Conservation Team to prepare an updated report on RHI now that it has been announced	Andrew Atkinson	September 2011	Government announced details of RHI on 10 March 2011
(f)	The Council undertakes feasibility work to assess the potential for district heating networks across the city and business models for how they can be developed	<ul style="list-style-type: none"> - Currently seeking funding from the Intelligent Energy Europe Programme to secure funding for a European partnership project to look at the feasibility of district heating networks across the city along with other renewable technologies, which will result in an "Energy Routemap" produced for the city, including financial and business models - Potential for District Heating within the masterplans for 	James Garland, Catherine Pope, Kathryn Warrington	- IEEP application deadline 12 May 2011.	<ul style="list-style-type: none"> - Outcome of the IEEP funding application will be known around Autumn / Winter 2011 and if successful the project will likely start in the Spring / Summer 2012 - District Heating potential is a key action of Sunderland's Covenant of Mayor's SEAP.

		Seaburn and Chapelgarth is currently being looked at			
(g)	The council encourages joint working between schools that are introducing low carbon technologies and consider methods of engaging with all schools to encourage the take up of energy consumption measures	<ul style="list-style-type: none"> - Through Sustainable Schools work, the Sustainability Team already works with schools on a range of sustainability issues, including energy and have worked with a few schools on renewable energy projects helping to secure funding for these - The Energy Conservation Team have SLAs with most schools which includes conducting Energy Audits and the promotion of the SALIX fund which schools can apply to for energy efficient project - The Energy Conservation Team are also working with Northumberland, Darlington and Middlesbrough Councils on a NEIEP funded "social marketing" project to work with Secondary Schools on energy efficiency behaviour projects 	<p>Kathryn Warrington</p> <p>Andrew Atkinson</p> <p>Andrew Atkinson</p>	<p>Continuing programme of work with schools will be conducted on an annual basis</p> <p>Continuing programme of work with schools will be conducted on an annual basis</p> <p>September 2011</p>	Success will be monitored through reduction in energy consumption and carbon emissions from schools
(h)	The Committee receive a further report on, and consult with, small businesses in the city involved in the renewable energy industry	A mapping exercise needs to be undertaken to ascertain which Sunderland companies are involved in the production of and supply of	Janet Snaith / Kathryn Warrington	From Autumn 2011	Using the Micro-generation Certification Scheme (MCS) website, local suppliers and installers of solar PV have been

		renewable energy. In part, this will be carried out in a baselining survey which is to be conducted as part of the Low Carbon City campaign detailed in recommendation 'i', below			identified to provide quotations to 3 Sunderland schools recently
(i)	The Council develop closer working relationships with Sunderland University with regards to the low carbon economy, skills and training opportunities	<p>Ensure that the HE / FE sectors are fully integrated into the delivery of the Economic Masterplan, as this relates to the skills needs of employers engaged in the low carbon economy</p> <p>In practical terms, this will mean sharing knowledge of upcoming skills requirements with both the University and relevant colleges (for example, where there are significant investment projects in the pipeline)</p>	Janet Snaith	Over the year there will be continuing discussions taking place in order to develop relationship	<p>The University of Sunderland is already playing a key role in relation to the software development sector, and is now involved in the working group looking at the emerging offshore wind sector</p> <p>In addition to the significant research on ultra low carbon vehicles undertaken by AMAP, the University offers an MSc in Low Carbon Vehicle Technology for engineers in the sector (other vocational training for the automotive sector is led by Gateshead College)</p> <p>The University also offers a BEng (Hons) degree in Renewable Energy Engineering. This is a 3-4 year sandwich course, providing in-depth skills to engineers in the renewable energy sector</p>
(j)	That the Council explore the opportunities for future joint working with NAREC	NAREC have visited relevant council officers to present opportunities for future partnership working	Janet Snaith / Kathryn Warrington	Discussions completed and Narec will be invited to procure for work as	NAREC will be kept informed of, and invited to tender for any potential work in future such as the Energy Routemap detailed in item 'f' above

				appropriate	
(k)	That the Council ensure that appropriate informal consultation is undertaken with the public at the pre-application stage and that the statutory publicity and consultation arrangements are followed when considering formal applications for the installation of renewable sources of energy	Within the existing PPS 22 and the council's Statement of Community Involvement, pre-application community consultation although not obligatory is recognised as best practice and is something the Planning and Environment Service actively encourages. Working with developers we will encourage pre-application consultation	Keith Lowes	On-going part of the consultation process	Currently working with Partnership for Renewables (PfR) at 2 council owned sites looking at the option to install single 2.5MW turbines. PfR will be undertaking extensive pre-application community consultation
(l)	The Committee receive a future report on the Low Carbon Marketing and Communication Strategy	<p>During 2009, the Low Carbon City Campaign engaged with 22 local organisations encouraging them to commit to at least a 10% carbon reduction target within 10 years or less. This campaign is to continue and support Aim 2 of the Economic Masterplan</p> <p>Currently working with Corporate Communications on a communications plan and survey to engage with large businesses across the city aiming to launch the campaign in the Autumn once the Inward Investment Marketing Strategy has been launched by Corporate Communications</p> <p>Inward Investment Marketing Strategy to launch during 2011/12. Marketing the city as a destination for inward</p>	<p>Kathryn Warrington</p> <p>Deborah Lewin / Janet</p>	<p>2 year campaign from Autumn 2011 – 2013</p> <p>Ongoing – to be completed</p>	<p>Successful 12 month campaign has previously engaged 22 businesses and 12 “champions” across the city. All champions have already expressed their commitment to the continuation of the campaign</p> <p>The software development strand of this priority has been pursued through the Software City</p>

		<p>investment linked to the low carbon economy, focussing upon the target sectors of ultra low carbon vehicles; offshore wind and software development</p> <p>Measures will include the production of sector-specific brochures, organising and attending relevant events, undertaking targeted advertising etc., with the aim of positioning Sunderland as a national hub for the target sectors</p>	Snaith	during 2011/12	<p>initiative, with a number of inward investment successes to date</p> <p>A new post is being created within the Business Investment Team to take forward the other strands</p>
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