

From: Matthew Balfour, Cabinet Member Environment and Transport
Barbara Cooper, Corporate Director Growth, Environment and Transport

To: Scrutiny Committee – 9th November 2016

Subject: **ENERGY SECURITY SELECT COMMITTEE REPORT –
Action Plan and 3 Month Update**

Classification: Unrestricted

Past Pathway:

Future Pathway: N/A

Electoral Division: All

Summary: Kent County Council (KCC) Energy Security Select Committee conducted a review of issues and opportunities relating to Energy Security in Kent and Medway, concluding with 15 recommendations that will contribute toward delivery of a sustainable affordable and secure energy supply. This paper provides a summary of the work undertaken so far and the work now underway to address those recommendations.

Recommendations: The Committee is asked to review and note the report and the attached annex.

1. Introduction

- 1.1 The KCC Energy Security Select Committee (the Select Committee) was established in November 2015 to identify the current local and national position with regard to energy security, the challenges we face, the actions we are already taking and to outline a number of recommendations which would contribute to promoting energy security in a sustainable, reliable and affordable manner, both at national and county-wide level. The aim was to provide an informative and objective review to further develop a joint Kent and Medway energy security strategy and inform the updating of the Kent Environment Strategy (KES), led by KCC's Sustainable Business and Communities team.
- 1.3. The report and recommendations were reported to the Cabinet on 25 April 2016 and were endorsed by the County Council on the 19 May 2016. As required by the Council's constitution, the Scrutiny Committee needs to be informed within three months of what action is being undertaken to deliver the recommendations. Due to the links between the Energy Security Select Committee update and the Growth and Infrastructure Framework update this item was postponed to the 9th November 2016 to enable both items to be heard at the same meeting.

2. Key Findings and Recommendations

- 2.1 The Select Committee report discusses and documents a number of key energy topics and issues that have significant impact on environment, economy, health and wellbeing of residents, business and public sector in Kent and Medway, covering:
- State of play in terms of UK and Kent's energy consumption and

- generation, infrastructure, policy and current and future pressures;
- UK and overseas best practice for ensuring a sustainable, affordable and resilient supply of energy;
- Diversification opportunities for supply of energy from alternative, new and emerging technologies, and localized and community approaches to energy supply.

Recommendations made by the Select Committee are to be delivered by elected Members where stated, or otherwise by officers working in partnership with public, private and community sector partners.

- 2.2 Due to the strong links and strategic fit between the recommendations and the KES, the findings and recommendations of the Select Committee have been used to inform priorities within the Kent Environment Strategy (KES) and to develop specific actions within the implementation plan **Annex 1** provides an overview of the recommendations, their alignment to KES priorities and a summary of progress for the first three months since the report was finalised.

3. Conclusion

- 3.1 The issue and recommendations raised by the Energy Security Select Committee require members and officers to work together along with partner agencies to ensure actions are being delivered. This Committee's scrutiny is an important part of ensuring our obligations are being met.
- 3.2 Following the Scrutiny Committee's consideration, the next formal step will be to reconvene the Energy Security Select Committee to review progress after 12 months following the publication of their report.

<p>4. Recommendations: Scrutiny Committee is asked review and note the report and the attached appendix.</p>

5. Report Author

Carolyn McKenzie, Head of Sustainable Business and Communities, EPE
carolyn.mckenzie@kent.gov.uk
+44 (0) 3000 413419

6. **Annex:** Recommendations alignment with KES and Implementation Plan, and progress of delivery of recommendations to date, November 2016

7. Background Documents

Energy Security Select Committee Report, May 2016

Annex 1: A summary of the KCC Energy Security Select Committee recommendations, their alignment with the Kent Environment Strategy and its Implementation Plan, and progress to date in their delivery

Energy Security Select Committee Recommendations	Alignment of recommendations with Kent Environment Strategy and Implementation Plan	Progress
<p>Recommendations 1 to 6: The Cabinet Member for Environment and Transport writes to the Secretary of State for Energy and Climate Change, to highlight key issues of concern for national and local energy security, such as:</p> <ol style="list-style-type: none"> 1. The importance of further new nuclear both nationally and for Kent (see Section 5.1, p.81) 2. The need for the introduction of stronger national building standards, requiring both increased energy efficiency and generation measures in new developments (Section 5.1, p.84) 3. The need for additional financial support and incentives for community energy projects following the reduction of the FiT (Section 4.2, p.76) 4. The need for local authority control and management of any future energy efficiency schemes that replace ECO (Section 5.3, p.103) 5. The need for energy utilities to produce and implement 25 year management plans, akin to those held by water utilities (Section 6.1, p.120) 6. The need to ensure that the South-East CORE is adequately resourced and supported so as to facilitate the continued uptake of renewable (wind) energy within Kent (Section 4.2, p.74). 	<p>Theme 1 Priority 2.2: Use our evidence bases to influence local, national and EU strategy and policy as appropriate</p> <p>Implementation Plan: Action BF2.2: Develop targeted policy briefings based on evidence'</p> <p>This action is being amended to reflect the need for Cabinet Members/key partners e.g. the Chair of the Kent and Medway Sustainable Energy Partnership to write to the Secretary of State for Business Energy and Industrial Strategy on issues of key concern or opportunity.</p>	<ul style="list-style-type: none"> • The Recommendation is reflected in the Kent Environment Strategy and has been incorporated into the Kent Environment Strategy Implementation Plan • The Chairman of the Kent and Medway Sustainable Energy Partnership (KMSEP) has written two letters to the Secretary of State for Energy and Climate Change regarding fuel poverty and the need for consistent funding schemes. • Progress to date has been a little bit delayed due to a change in Prime Minister and changes to Government Departments. • Contacts are now being established with the Department for Business, Energy and Industrial Strategy (BEIS), and a review of key energy issues is underway as a result of the Growth and Infrastructure Framework (GIF) and also to reflect the new Government's Priorities and influence of BREXIT. • KCC also Chair the Association of the Directors of Environment, Planning and Transport (ADEPT) Energy Sub Group which is used as a means to influence Government. • Submissions have been made to the Growth and Infrastructure consultations with regard energy infrastructure, as well as the Governments Industrial Strategy. KCC are chairing the national ADEPT board on energy. • The KMSEP recently held a roundtable session on the future of energy in Kent and received a number of priorities from stakeholders looking at a wide range of energy related policies and issues. These included looking at building standards, new technology like batteries and DSR, as well as Electric Vehicle charging points and the growth of electric vehicles and their place in the Kent transport infrastructure.
<p>7: That KCC, working in partnership with relevant organisations, builds on the work of the Select Committee in identifying key opportunities and risks</p>	<p>Theme 1 Priority 1.4: Improve our understanding of risks and opportunities related to specific resource constraints such as water, energy and land</p>	<p>The detailed review of the GIF in 2017 will include reviewing the energy sections making clearer reference to the potential for renewable energy and</p>

Energy Security Select Committee Recommendations	Alignment of recommendations with Kent Environment Strategy and Implementation Plan	Progress
<p>to Kent’s energy infrastructure, ensuring the evidence base underpinning our energy security is up-to-date and robust (Section 2.4, p.35)</p>	<p>Theme 3 Priority 8: Influence Sustainable Growth Across the County</p> <p>Implementation Plan: Action SF8.2: Identify energy needs for growth and how these can be met sustainably and ensuring that these are incorporated into the Growth and Infrastructure Framework (GIF) (e.g. district heating and community energy).</p>	<p>heat networks, and the need for data in terms of understanding how much we consume and generate energy (energy balance)</p> <p>Work is already underway to consolidate what information Kent already has and where the gaps are as part of the process for developing an evidence hub to inform future growth and establish Kent’s energy balance.</p> <p>The remit of the Kent and Medway Sustainable Energy Partnership (KMSEP) is being broadened to incorporate energy security and identify key areas for collaboration.</p>
<p>8: That KCC leads by example through driving further energy saving and energy generation measures across its estate - in accordance with KCC’s Carbon Management Plan - and in partnership with Kent social housing providers and districts (Section 4.1, p.67)</p>	<p>Theme 2 Priority 6.1: Reduce negative impacts and maximise the resource efficiency of public sector services, setting out our public commitments for energy, waste and water use reduction</p> <p>Implementation Plan: Action MR6.1:</p> <ul style="list-style-type: none"> • Update and widely communicate public commitments for energy, waste and water use reduction across local authorities • Identify and implement renewable energy opportunities across public sector estates, partnering with communities and businesses as appropriate 	<p>This activity is ongoing. To date approx £3million has been invested with more than £12million+ in energy savings.</p> <p>Additional SALIX SEELS funding has been granted to support schools with LED lighting. £250,000 of schools LED lighting projects have now been completed through the SEELS scheme.</p>
<p>9: That KCC creates a communications strategy strengthening its engagement with businesses and local communities to help them understand the benefit of reducing energy use and generating their own energy (Section 4.2, p.76)</p>	<p>Theme 1 Priority 3.3: Develop an environmental communications and engagement strategy, improving awareness of priorities and supporting behaviour change</p> <p>Implementation Plan: Action BF3.3: Develop a targeted environmental communications and engagement strategy and plan</p>	<p>Communications Strategy currently being developed , launch for 2017 .</p> <p>There are currently three energy related campaigns which are KCC and Kent wide:</p> <ul style="list-style-type: none"> • Integration of energy issues into New Ways of Working; • Kent Warm Homes – residential energy efficiency and fuel poverty; and • Low Carbon Kent – specific work with business to improved energy efficiency.
<p>10: That KCC investigates the feasibility of creating investment measures to develop local, low-carbon energy generation and diversification projects (Section 5.2, p.101)</p>	<p>Theme 2 Priority 6.1: Reduce negative impacts and maximise the resource efficiency of public sector services, setting out our public commitments for energy, waste and water use reduction</p> <p>Implementation Plan: Action MR6.1: Identify and implement renewable energy opportunities across public sector estates, partnering with communities and businesses as appropriate</p>	<p>In light of BREXIT we are investigating the impact on energy investments and exploring future avenues of non EU funding including crowd funding and share funds and what our future strategy should be.</p> <p>Investigating potential for utilising SALIX funding for community groups as well as for KCC and schools</p> <p>Also working with utilities and renewable energy generators to maximise the potential for accessing</p>

Energy Security Select Committee Recommendations	Alignment of recommendations with Kent Environment Strategy and Implementation Plan	Progress
		<p>community benefit funds to finance local initiatives e.g. Horsebridge Centre Whitstable and Friendship House in Minister</p> <p>Cyclopark has been fitted with solar PV panels, providing an income of £100,000 to KCC over next 20 years.</p>
<p>11: That KCC works with partners and local authorities to influence the design and planning process for developments from the start, so as to ensure that they are as energy efficient as possible (Section 5.3, p.106)</p>	<p>Theme 3 Priority 8.3: Develop guidance and support to enable sustainable growth protecting the county of Kent's environmental and historic assets, and supporting healthy, prosperous communities</p> <p>Implementation Plan: Action SF8.3: Provide support and guidance e.g. Kent Design to achieve sustainable growth through incorporating KES priorities</p>	<p>Kent Design in its original form no longer exists, but has evolved into the Design South East Programme, providing targeted training events KCC are working with District Partners, developers and other public sector bodies to identify the most effective way of influencing planning with regards to key issues such as energy, water, air quality etc.</p>
<p>12: That KCC works with educational institutions within Kent to ensure that students and apprentices are given the necessary skillsets and expertise required for working across the energy sector (Section 5.4, p.111)</p>	<p>Theme 1 Priority 3.1: Develop knowledge networks, sharing best practice and training to build capacity for informed decision making</p> <p>Implementation Plan: Action BF3.1: Identify training and development needs in relation to delivery of Kent Environment Strategy priorities and establish recommendations for skills and knowledge development</p>	<p>Reviewing in partnership with Economic Development. This activity is in it's early stages, and an action plan will be agreed late 2016.</p>
<p>13: That KCC continues to strengthen its ability to work in partnership with local authorities, relevant agencies, businesses, community groups and the education and training sector to make sure that a comprehensive approach is taken in ensuring energy security for Kent (Section 6.1, p.116)</p>	<p>This recommendation links to Theme 1 as a whole:</p> <p>Theme One: Building the Foundations for Delivery. The Theme establishes priorities that provide an evidenced understanding of risks and opportunities from environmental change, and the relationship to our communities, health and wellbeing, and economy. It also includes priorities that establish how we can develop actions, as a partnership, to respond to those changes now and into the future.</p>	<p>Recommendations have informed priorities and actions within the Strategy and Implementation Plan. A Kent wide governance group has been established to deliver the strategy and actions through strategic and operational level groups, and a steering group. An internal KCC governance structure has also been developed with the Environment Board (operational), Corporate Management Team (executive) and E&T Cabinet and Cabinet Committees (political). Check and challenge groups have also been established with a KCC Informal Members Group and a Kent wide champions group.</p> <p>Other significant partnerships include the Kent and Medway Sustainable Energy Partnership specifically focusing on energy initiatives</p>
<p>14: That LASER and Sustainable Business and Communities investigate the feasibility of KCC establishing itself as an energy supplier to the local community (Section 6.1, p.118)</p>	<p>Theme 2 Priority 6.1: Reduce negative impacts and maximise the resource efficiency of public sector services, setting out our public commitments for energy, waste and water use reduction</p> <p>Implementation Plan: Action MR6.1: Identify and implement renewable energy opportunities across public sector estates, partnering with communities and businesses as appropriate</p>	<p>Currently at early stages with this activity looking at other similar initiatives across the UK e.g. Nottingham. The recommendation fits under MR6.1 as this is also broadly about energy generation and security</p>

Energy Security Select Committee Recommendations	Alignment of recommendations with Kent Environment Strategy and Implementation Plan	Progress
		The activity will be amended to reflect this.
<p>15: That KCC works in partnership with UKPN and relevant energy generation companies within Kent to better understand the risks to Kent's energy systems and how these can be mitigated (Section 6.1, p.120)</p>	<p>Theme 3 Priority 8.1: Ensure that key environmental risks such as flooding, water scarcity and heat are informing policy decisions and development</p> <p>Implementation Plan: Action SF8.1: Ensure outputs of the Kent Climate Change Risk Assessment are integrated into policy and planning</p> <p>SF8.2 Identify energy needs for growth and how these can be met sustainably and ensuring that these are incorporated into the Growth and Infrastructure Framework (GIF) (e.g. district heating and community energy).</p>	<p>Work with energy utilities, OFGEM and National Grid initiated to address energy issues such as fuel poverty and energy security across Kent. Relationships now established and work programmes being developed.</p>