



NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Regeneration and Sustainable Development Cabinet Board

25 February 2022

Report of Simon Brennan Head of Property & Regeneration

Matter for Decision

Wards Affected: All

South West Wales Regional Energy Strategy

Purpose of the Report

This report aims to seek approval of the South West Wales regional energy strategy so far as it relates to Neath Port Talbot County Borough Council.

Executive Summary

1. The overall objective of the regional strategy is to develop a strategic pathway for identifying key interventions to deliver on the South West Wales region's ambitions for decarbonising its energy system. Whilst ensuring that the region maximises the economic benefits from the transition to a low carbon economy enabling the region to achieve the correct trajectory for achieving net zero in 2050.
2. The core principles of the regional energy strategy is to:
 - a) Optimise the wide range of regional natural resources
 - b) Transition to a low carbon economy, to improve lives for all and for benefits to be shared in an equitable way
 - c) Lead by a proactive and effective regional delivery vehicle to ensure the vision translates into effective action
3. The South West Wales Energy Strategy will seek to deliver the following benefits to the economic region of South West Wales:
 - Raise the level of ambition regionally on energy
 - Secure cross-sector stakeholder support for a shared place-based energy system vision for the region

- Provide the evidence needed to demonstrate the economic benefit of investment in local energy systems
- Develop a regional pipeline of deliverable projects and programmes that will achieve the vision
- Assist the region becoming a leader on low carbon energy generation
- Demonstration of regional and cross sector collaboration
- Adoption of taking a whole system multi vector view
- Embracing and moving towards a net zero carbon economy
- Future proofing energy/carbon solutions and innovation.

Background

4. This regional energy strategy for the South West Wales Region was commissioned by the Welsh Government and supported by the Welsh Government Energy Service. It has been developed by the South West Wales Energy Core Group, a sub-group of the Regional Directors' forum from the four Local (Neath Port Talbot, Swansea, Carmarthenshire and Pembrokeshire) Authorities in South West Wales, with additional support from an Advisory Panel and regional stakeholders.
5. The overall objective of the regional strategy is to develop a strategic pathway for identifying key interventions to deliver on the region's ambitions for decarbonising its energy system. An Energy Vision scenario has been modelled to set out a potential decarbonisation route that will put the region on track to achieve a net zero energy system by 2050.
6. The strategy consists of the following key stages:
 - Development of a draft regional energy strategy
 - Individual approval of the strategy document by each Local Authority
 - Carryout workshops for each thematic theme
 - Formulation of governance structure for the strategy
 - Produce long list of actions/activity and prioritise
 - Develop list of implementation programmes and Identify resource and funding for effective delivery
7. The strategy will complement and support work already underway across each local authority and public sector body to decarbonise their organisational (internal) emissions. The strategy will help support accessing funding sources to achieve these ambitions.

South West Wales Regional Energy Strategy

8. The strategy's vision for South West Wales Region (SWW):

'Harnessing the region's low carbon energy potential across its on and offshore locations, to deliver a prosperous and equitable net zero carbon economy which enhances the well-being of future generations and the region's ecosystems, at a pace which delivers against regional and national emissions reduction targets by 2035 and 2050'

9. Core principles:

- a) Optimise the wide range of regional natural resources
- b) The transition to a low carbon economy needs to improve lives for all and for benefits to be shared in an equitable way
- c) Led by a proactive and effective regional delivery vehicle to ensure the vision translates into effective action

10. The key strategic priorities are:

- **Energy efficiency:** a key priority for the region is to drive down energy demand.
- **Electricity generation:** encourage a mix of low carbon energy technologies to increase the reliability and stability of electricity generation.
- **Smart and flexible systems.**
- **Decarbonise Heat:** a 'whole system' and 'one heating problem to one heating solution' approach.
- **Decarbonise Transport:** lead the decarbonisation of transport and promote active travel behaviour.
- **Regional coordination:** Build a regional coordinated approach to infrastructure planning and delivery.

11. **Strategy Thematic Themes**

The key strategic priorities will be categorised and delivered under four thematic themes listed below, each theme has been assigned a Local Authority lead officer:

- **Housing** - Neath Port Talbot Council
- **Commercial and Industry** - Carmarthenshire County Council

- **Renewable Energy Generation** - Pembrokeshire County Council
- **Transportation** – City and County of Swansea

Approach

12. The Welsh Government Energy Service has supported the development and progression of the West Wales Regional Directors' forum to co-produce an Energy Strategy for West Wales over the past 10 months. The strategy demonstrates the level of effort and co-ordination required and local economic benefit achievable from delivering a zero-emission energy system by 2050 compared with a business-as-usual pathway. Similar commissions have taken place in North Wales, Mid Wales and South East Wales.
13. Decarbonisation is seen as a key priority for the region as evidenced within the Regional Economic Strategy and City Deal Programme, strengthened further by NPT Council's Decarbonisation and Renewable Energy (DARE) Strategy for transitioning towards a low carbon region and a green economy is seen as an important catalyst for change to unlock and support economic growth alongside skills and job creation post COVID.
14. It is important for Members to note that the energy theme and the South West Wales Energy Strategy is much broader than just the Swansea Bay City Deal, and as such will require broad collaborative ownership and a multi stakeholder approach to co-produce, lead and deliver elements within the strategy if we are to realise the ambitious vision set out within.
15. Accessing the external investment required to deliver the strategy will be a significant challenge and the proposed next step of developing an action plan will begin the process of identifying the regional interventions and asks required to deliver the vision and aims of the strategy.

Benefits of the Strategy

16. The South West Wales Energy Strategy will seek to deliver the following benefits to the economic region of West Wales:
 - Raise the level of ambition regionally on energy
 - Secure cross-sector stakeholder support for a shared place-based energy system vision for the region

- Provide the evidence needed to demonstrate the economic benefit of investment in local energy systems
- Develop a regional pipeline of deliverable projects and programmes that will achieve the vision
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Next Steps – Delivery of the South West Wales Regional Energy Strategy

17. To develop, progress and take the strategy forward the following steps and actions will be undertaken:
- Sign off approval of the strategy by each Council within the region
 - Finalise regional governance structure for the strategy
 - Complete long list of actions/activity and prioritise for each thematic theme within the strategy
 - Development and resourcing of an effective action plan with deliverable programmes & projects
 - Carryout communication and branding exercise for successfully socialising the strategy throughout the Council and region
18. Responsibility for monitoring the regional energy strategy plan is likely to feature as part of the economic well-being function within the governance structures being developed to support the south west Corporate Joint Committee.

Financial Impacts

19. There are no financial impacts in respect of this specific strategy report, with financial impacts assessed as part of future reports submitted to members with regard to the strategy implementation plan and associated projects as part of the journey to net carbon zero.

Integrated Impact Assessment

20. An integrated impact assessment has not been undertaken at this stage of the strategy's development as it is not necessary to do so, should it be required once the strategy delivery plan is ready for

approval and the project enacted then a full impact assessment will be undertaken at that juncture.

Valleys Communities Impacts

21. The impact of the strategy and the subsequent journey to net carbon zero is anticipated to have a positive impact on all areas of the County Borough inclusive of valley communities. Similar to the financial impacts, the beneficial impacts of the strategy will be assessed as part of future reporting and submitted to members with regard to the strategy implementation plan and associated projects.

Workforce Impacts

22. None.

Legal Impacts

23. None

Risk Management Impacts

24. None.

Consultation

25. There is no requirement for external consultation on this matter, however there has been engagement and workshops with local, regional and national stakeholders.

Recommendations

26. It is recommended that members:
 - a) Approve the South West Wales Regional Energy Strategy as set out in Appendix 1 and endorse their support for the commencement of preparatory work on the action plan.
 - b) Approve that the South West Wales Energy Core Group, a sub-group of the Regional Directors' forum from the four Local Authorities (Neath Port Talbot, Swansea, Carmarthenshire and Pembrokeshire) work together to develop and agree a regional governance arrangements for the preparation of a South West Wales energy strategy delivery plan and that a report be brought back to members for approval for the same once completed.

Reasons for Proposed Decision

27. To invite Members to provide feedback on the strategy, which will assist the development and implementation of the strategy's action plan. The current strategy provides a high-level vision, priority areas, energy modelling and economic analysis which shall inform the development of the proposed action plan.

Implementation of Decision

28. The decision is proposed for implementation after the three day call in period.

Appendices

29. Draft south west wales energy strategy.

List of Background Papers

30. None.

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