

SOUTH WEST WALES CORPORATE JOINT COMMITTEE

Report of the Chief Executive

South West Wales Energy Strategy

Purpose of Report	To brief the CJC on the Regional Energy Strategy for South West Wales
Recommendation	To adopt the South West Wales Regional Energy Strategy as the framework for the CJC's work programme with further reports to be brought forward in due course identifying how it is proposed that the strategic intent will be delivered.
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Background

As part of the response to the challenges and opportunities created by climate change, the 'net zero' decarbonisation agenda and the 'green industrial revolution', the Welsh Government has supported the development of regional energy strategies across Wales.

With the support of the Welsh Government Energy Service (WGES), a regional energy-planning group was established in January 2021. The core group consists of directors and lead energy officers from the four local authorities.

The core group is supplemented by a wider advisory and stakeholder group which over the last 12 months, has undertaken engagement, energy and economic modelling activity, that underpins the regional energy strategy which is attached at appendix 1. The timing of the strategy is significant given the recent international focus on COP26 and the publication of the Welsh Government's Net Zero Wales Plan (to be followed by a Net Zero Wales Skills Action Plan in Spring 2022). It should be noted that the strategy is cross-sectoral (public, private, third sector).

Main issues

According to the analysis the South West region is 'over-consuming' and, whilst consumption has – and is – reducing, the current trajectory is not on track to achieve the net zero targets by 2050 (2030 for the public sector).

Accordingly, the vision is to:

'Harness the region's low carbon energy potential across its on and off-shore locations to deliver a prosperous and equitable net zero carbon economy which enhances the well-being of future generations and the region's eco-systems, at a pace which delivers against the regional and national targets by 2030 and 2050'

The vision is supported by six regional priorities:

- Energy efficiency
- Electricity generation
- Smart and flexible systems
- Decarbonise heat
- Decarbonise transport
- Regional coordination

Across the region there has been progress made across all these priorities with major projects supported by the Swansea Bay City Deal complementing the work that each local authority is doing through their respective 'net zero' plans. In addition, the work that Public Service Board partners, communities and crucially, business and industry, are engaged in through a plethora of projects and initiatives – from neighbourhood micro-level up to macro-level transformational scheme – is helping to build momentum.

The scale of both the challenge and opportunity is also recognised as a key economic driver for the region. Consequently, the South West Wales Regional Economic Delivery Plan (see corresponding agenda item) and the (Welsh Government) Regional Economic Framework identify 'South West Wales as a UK leader in renewable energy and the development of a net-zero economy' as one of the three over-arching 'missions' for the economy.

All four local authorities have considered a draft version of the Regional Energy Strategy and agreed to support, although in the case of Pembrokeshire County Council the Cabinet resolved to 'note' the strategy in the absence of any clear indication of financial implications. However, the report to Pembrokeshire's Cabinet did clarify that 'there may be financial implications for the Council as the Strategy is implemented, and these will need to be considered at the appropriate time'.

Financial Impacts

Funding to take forward the South West Wales Energy Strategy will come from multiple sources including UK and Welsh governments, public sector partners, private sector businesses and investors, and local communities. Individual behaviour change will also contribute substantially, although this is difficult to monetise at the aggregate regional level.

Integrated Impact Assessment

The CJC is subject to the Equality Act (Public Sector Equality Duty and the Socio-Economic Duty), the Well-Being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not
- Deliver better outcomes for those people to use the Welsh language
- Treat the Welsh language no less favourably than English
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs

The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales

by taking action, in accordance with the sustainable development principle, aimed at achieving 'well-being goals'

Workforce impacts

Given the breadth and scale of the Regional Energy Strategy, it is envisaged that a dedicated CJC funded resource will be required to manage and facilitate implementation, with individual local authority partners contribute resources as required. As an interim measure, during 2022/23 it is proposed that EARTH staff resources are deployed to ensure momentum is maintained.

Legal Impacts

There are no specific legal implications identified at this stage

Risk Management Impacts

The Regional Energy Strategy has been prepared to provide a roadmap towards the net zero targets. A detailed energy modelling and economic analysis has been undertaken to inform the production of the Strategy.

Risk management will be undertaken by stakeholders engaged in delivering projects that contribute to the strategy's vision and priorities.

Consultation

The Regional Energy Strategy was prepared by the Welsh Government Energy Service (WGES) and led by a core group of directors and lead officers from the four local authorities. In preparing the strategy, extensive consultation has taken place with a range of stakeholders under the guidance of an advisory board.

Reasons for Proposed Decision

To adopt a strategic approach to coordinating and facilitating the delivery of programmes and projects that will contribute towards the net zero agenda.