Energy Policy Task Group

Report of the Task Group Reconvene

Place Scrutiny Committee

September 2015
**INTRODUCTION**

The Place Scrutiny Committee received an update report to their 17 June 2015 meeting on the Energy Policy and Strategy Review. Members expressed disappointment at the lack of progress made towards the recommendations laid out in the Energy Policy Task Group’s Report published in November 2014 and agreed to reconvene the energy policy task group to meet with the Cabinet Member for Community and Environmental Services and the Environmental Performance Board to identify and address any barriers preventing the recommendations being progressed and to construct a timetable for implementation (see Minute *80*).

The task group met with the Cabinet Member for Community and Environmental Services and the three senior representatives of the Environmental Performance Board, i.e. the Head of Highways, Capital Development and Waste, the Head of Planning, Transportation and Environment, as well as the Head of Business Strategy and Support on 12 August 2015.

**FINDINGS**

The Cabinet Member and members of the Environmental Performance Board expressed their desire to incorporate the views of scrutiny in their future planning and delivery of services. Progress against the original ten recommendations had been achieved as follows:

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<th>Recommendation</th>
<th>Progress</th>
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<td>1</td>
<td>From August 2015 onwards, the Cabinet Member for Community and Environmental Services will sit on the Environmental Performance Board and will attend meetings of the Place Scrutiny Committee in regular intervals in the future to update on progress. An Environmental Performance Management Group will commence which reports to the Environmental Performance Board which will oversee operational issues.</td>
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<td>As the size of the retained estate was emerging in line with the <a href="https://www.devon.gov.uk/Estates-Strategy">Estates Strategy for Devon County Council 2012-2017</a>, energy management can now be planned effectively. The Council’s energy consumption had already significantly decreased due to the disposal of assets. Devon County Council purchases energy through a collaborative contract with other public sector partners to achieve economies of scale. The contract is competitively tendered for at least every seven years and the <a href="https://www.devon.gov.uk/en/LASER">LASER Energy Buying Group</a> will supply the Council’s and some schools’ electricity and gas from April 2016 onwards. The contract will install further automatic meter reading (AMR) technology to achieve AMR on all gas and electricity meters.</td>
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To develop a clear and concise renewable energy strategy, identifying a prioritised list of suitable sites across the corporate estate, based on evidence of current energy consumption levels and projected return rates from individual sites.

The appointment of a two-year fixed-term Corporate Energy Manager is expected in the autumn 2015 who will

1. establish a cost-effective corporate energy management function, which will include overseeing the installation of AMR in 2016 and establishing the Laser Bureau Service as key tools in the identification of further energy efficiency projects.

2. prepare a Renewable Energy Strategy

Devon County Council is piloting the RE:FIT schools energy efficiency programme with 18 schools, funded through a £1m loan fund offered to the pilot schools by DCC. Procurement of the preferred installation partner concludes in September 2015.

It is hoped that participating schools will showcase the programme’s success and more schools will participate in the future.
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<th>To review the County Council’s approaches to borrowing and investing capital reserves when presented with low risk, high return investment opportunities such as energy efficiency projects and renewable energy.</th>
<th>The County Council’s approaches to borrowing and investing capital reserves with regard to renewable energy projects have been reviewed as part of the development of the Energy Policy. The outcome of this review is that current approaches are unlikely to change in the short and medium term.</th>
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<td>8</td>
<td>To identify council assets appropriate for community-funded renewable energy projects, develop an approach for offering these for community investment and determine how individual initiatives can be supported.</td>
<td>The Corporate Energy Manager, who will be appointed in the autumn of 2015, will consider opportunities for community investment as part of the development of the Renewable Energy Strategy. The Planning, Transportation and Environment service is commissioning a review of the range of options which exist for local authorities to engage with community energy initiatives. This will form part of the evidence based used by the Corporate Energy Manager in developing the Renewable Energy Strategy. Over the past four years DCC has supported community energy groups to pursue community-owned renewable energy projects. DCC’s latest support programme in 2014/15 - the Community Energy Accelerator - involved the provision of small, start-up grants to enable local groups to organise themselves to be in a position to apply for DECC’s Rural or Urban Community Energy Funds. A further tranche of grant funding will be advertised in September 2015. DCC has also prepared a [Community Energy Legal Toolkit] to help community energy groups understand good practice in developing community energy projects. This is believed to the first in the UK. Available online at <a href="https://new.devon.gov.uk/energyandclimatechange/community-energy-legal-toolkit">https://new.devon.gov.uk/energyandclimatechange/community-energy-legal-toolkit</a> The experience of some of the community energy groups engaged on the Accelerator has been captured in a video which highlights the opportunities available to community energy groups as well as the challenges that Devon County Council is helping local communities overcome. The video is available at <a href="https://new.devon.gov.uk/energyandclimatechange/community-energy">https://new.devon.gov.uk/energyandclimatechange/community-energy</a></td>
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<td>9</td>
<td>If the use of capital reserves and prudential borrowing continues to be</td>
<td>The Investment and Pensions Fund Committee considered a report on the solar PV energy scheme at their meeting on 27 February 2015 and rejected the proposal on the basis of</td>
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| 10 | If the use of capital reserves and prudential borrowing continues to be unviable (referring to recommendation 7), Devon County Council should enter into a partnership with an expert body in order to produce a business case for investment by the Pension Fund in renewable energy installations across the corporate and schools estate, incorporating community investment. | – the Pension Fund’s duty to provide the best return on investment possible;  
– the potential for a conflict of interest if the Pension Fund were to make an investment into local infrastructure;  
– the potential risks involved in this type of investment in the long term. | See above. Investment in DCC renewable energy schemes has been discounted by the Investment and Pensions Fund Committee. |
Delivering the Energy Strategy

In addition to the evidence gathered above, the task group also heard how

- the conversion of **part-night street lighting** is already exceeding its target to deliver 20% savings in energy consumption and associated costs. The remaining roads, which will remain lit all night, will benefit from the installation of LED lights with the help of a £10.6m grant from the Department of Transport from 2016 onwards, which is forecast to save an additional 33% in energy consumption.

- the Council has been awarded a 75% grant from the Department for Transport to lease four electric vehicles for civil parking enforcement officers and the Planning, Transportation and Environment group, which will be based at County Hall, Ivybank and Ryefield in Kingsteignton.

With reference to any larger-scale renewable projects, the task group noted that the National Grid southwest of Bristol is at capacity until 2020 which means that no further installations will be able to feed into the National Grid until approximately then. This hinders the possible installation of solar PV at the redundant landfill sites and park & ride car parks in the short term but the development of a Renewable Energy Strategy (see recommendation 4 above) will consider opportunities for generating energy for consumption by private consumers without the need to feed energy into the National Grid, as well as keeping the Council’s options under review for deployment later in the decade when capacity becomes available.

CONCLUSION

Members were encouraged by the progress which had been achieved and suggested that the achievements should be communicated more widely. The task group will continue to keep the matter under review.

_Councillors Gordon Hook and Ray Radford_