

INFRASTRUCTURE BOARD

9th January 2020

SCR ENERGY STRATEGY

Purpose of Report

This report presents the revised draft SCR Energy Strategy taking into account the steer and comments of the Infrastructure Board.

Thematic Priority

This report relates to the following Strategic Economic Plan priorities:

- Secure investment in infrastructure where it will do most to support growth.
- Facilitate and proactively support growth amongst existing firms.

Freedom of Information

The paper will be available under the Combined Authority Publication Scheme.

Recommendations

The Board is asked to:

1. Comment on the revised draft SCR Energy Strategy, including the energy options scenarios in the Policy Targets section.
2. Agree for the draft SCR Energy Strategy be reported to both the LEP Board and MCA Board for

1. Introduction

- 1.1** The development of an Energy Strategy for Sheffield City Region (SCR) is a response to the SCR Integrated Infrastructure Plan (IIP) which commits the Local Enterprise Partnership (LEP) and the Mayoral Combined Authority (MCA) to producing a low carbon energy strategy.
- 1.2** The SCR Energy Strategy has been prepared over the past 18 months and drafts have previously considered by the Infrastructure Board in both August and October 2019, and has been amended following the steer and comments of the Board. Stakeholder feedback on the draft SCR Energy Strategy from both the University of Sheffield and over 45 stakeholders have also been taken into account in revising the Strategy. It is important to now seek to finalise the draft to enable the implementation stage and key projects to begin.

2. Proposal and Justification

Climate Emergency

- 2.1 On 9th November 2019 the MCA declared a 'Climate and Environmental Emergency,' which stated clearly that the effects of anthropogenic climate change have been noted and that the MCA pledges to take immediate and dramatic action to help to mitigate the potential consequences. These consequences include increased regularity and severity of flooding within South Yorkshire. The SCR Energy Strategy will provide a high level strategy for the region that will help address this climate emergency to help meet the net zero carbon emissions target set out in the Energy Strategy.

SCR Energy Strategy

- 2.2 The SCR Energy Strategy will sit within a suite of documents that will provide an overarching strategic framework to both tackle Climate Change and support the transition to a clean energy and low carbon economy. It has been developed with the help of a range of stakeholders across the region and beyond including the Carbon Trust, ITM Power, Liberty Steel, Northern Powergrid, the University of Sheffield, and all four South Yorkshire local authorities; amongst others. Through 2019 the preparation process has involved:
- **Strengthening of the evidence base:** Ensuring the evidence was balanced and covered all key areas; this included, for example, work on relevant housing evidence and stronger alignment with the SCR Transport Strategy.
 - **Clearer approach:** Introducing a clear 'thread' through the document from the Vision, to goals, policies and interventions.
 - **Stakeholder Engagement:** In September 2019 a second workshop was held with approximately 45 stakeholders to discuss an early draft of the Strategy, and further discussions on specific issues with specialists such as the local Universities, the South Yorkshire Hydrogen Network have also taken place.
 - **Consistency with the SEP:** Working closely with the SCR policy teams in their development of the SEP to ensure that the evidence base for energy is complete and up-to-date; highlighting areas of opportunity and focussed economic growth links. Sustainability has become one of three key pillars of the emerging new SEP.
 - **University of Sheffield 'Provocation Exercise':** Academics and PhD students at the University of Sheffield scrutinised the evidence and assumptions within the Draft SCR Energy Strategy using different sources and methods. This then plugged any gaps in the evidence base or reinforced the evidence already given.
 - **Carbon Targets & Future Scenarios:** Ricardo Energy and Environment were appointed by SCR to carry out a piece of analysis which is split into three phases:
 - **Phase 1:** A top-down approach to produce a science-based carbon budget for South Yorkshire which is aligned to the UNFCCC Paris Agreement target.
 - **Phase 2:** A bottom-up approach to establish some South Yorkshire specific actions that will be required to remain within the carbon budget. These actions are broken down into four ambition levels.
 - **Phase 3:** Each of the scenarios was then assessed in terms of the likely capital investment required to achieve the target; the expected GVA growth; and the number of jobs and/or total person-years of employment associated.

Changes to the Draft Strategy

- 2.3 Attached at Annex 1 is the Revised Draft SCR Energy Strategy, which has been revised to reflect the comments of the Board at the previous meeting in October 2019; changes made have been as follows:

- Further highlighting that the transition to a clean energy future across the SCR will require incremental step changes and significant investment, and therefore, existing energy sources will still play a role in the immediate period.
- A significant review and update of the evidence base, which has both included statistics from 2017 (most recent available) rather than 2015, with the statistics focussed on South Yorkshire rather than the wider SCR to reflect both the revised LEP geography from April 2020 and the carbon target and scenarios geography.
- A restructure giving more focus to those areas that SCR have greatest influence over and those that can have the greatest impacts, and amending the policy areas and interventions accordingly. The details of other related areas will be covered in the wider suite of documents providing the overarching strategic framework to both tackle Climate Change and support the transition to a clean energy and low carbon economy.
- Inclusion of the key outputs and targets from the Carbon Targets and Future Scenarios commission for the Board's consideration.

3. Consideration of alternative approaches

- 3.1** The preparation of the Strategy involved two consultants and a range of evidence and different options, approaches, objectives, vision etc which have been informed through consultation with key Stakeholders over the past 18 months. At every stage the evidence base and draft proposals / strategies have also been considered and guided by the SCR Infrastructure Board, and previously the SCR Housing and Infrastructure Board.

The comments and suggestions on the Draft Strategy by both the University of Sheffield and the Key Stakeholder have further informed revisions to the content and approaches of the Strategy prior to it being finalised in its current draft form; as well as the Targets and Scenarios commission.

4. Implications

4.1 Financial

This work is supported by £40k from BEIS with a further £30k allocated from SCR funds. This budget was sufficient to complete the Strategy and undertake the Carbon Targets and Scenarios work. Further support from BEIS (£100k) was also secured for additional capacity to lead on Energy and Sustainability activity within the SCR Executive. The post is hosted by SCR and works alongside local authority officers across South Yorkshire as well as regionally through the North East, Yorkshire and Humber Energy Hub.

4.2 Legal

A Memorandum of Understanding has been agreed with BEIS related to their funding contribution to support the preparation of the Strategy.

4.3 Risk Management

A risk assessment has been undertaken for the project which is continually monitored.

4.4 Equality, Diversity and Social Inclusion

None arising from this report. The SCR Energy Strategy will help to address fuel poverty and the health and wellbeing of the local populations and, therefore, will contribute to improving social inclusion.

5. Communication

- 5.1 Proactive communications will be delivered across a range of channels, including digital, social and traditional media, once the Energy Strategy is in a position to be published.

6. Appendices/Annexes

Annex 1 - Revised Draft SCR Energy Strategy

REPORT AUTHOR	Karl Sample
POST	Senior Programme Manager (Energy & Sustainability)
Director responsible	Mark Lynam,
Email	Mark.Lynam@sheffieldcityregion.org.uk
Telephone	0114 220 3445

Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ. Other sources and references: N/A.