

Report

Cabinet



Part 1

Date: 15 June 2022

Subject Newport's Local Area Energy Plan

Purpose To approve the attached city-wide draft Local Area Energy Plan for the whole Newport local authority area.

Author Senior Policy & Partnership Officer (Climate Change)

Ward All wards

Summary The city-wide Local Area Energy Plan (LAEP) for the whole Newport local authority area sets out a vision for reaching a zero-carbon local energy system by 2050 together with a summary of evidence to support the vision. Also included in the plan is a route map to get there, including a set of actions for the Council to support the journey whilst recognising the role of other key actors in government, the energy sector and across the community. It provides us with an understanding of the nature, scale, rate, and timings of changes that are needed for Newport's transition to a net zero energy system.

Proposal To approve the attached draft city-wide draft Local Area Energy Plan for the whole Newport local authority area.

Action by Strategic Director, Environment & Sustainability
Head of Service, Environment & Public Protection

Timetable As set out in the plan

This report was prepared after consultation with:

- Leader
- Cabinet Member
- Strategic Director, Environment & Sustainability
- Head of Service, Environment & Public Protection
- Chief Financial Officer
- Monitoring Officer
- Wider stakeholders

Signed

Background

In November 2021, we at Newport City Council declared an Ecological and Climate Emergency. As part of the declaration, we pledged to:

- Develop a city-wide Local Area Energy Plan (LAEP), in collaboration with experts from the public, private and third sector to develop innovative solutions to decarbonise heat, electricity and local transport and realise local renewable energy production.

The development of the Newport Local Area Energy Plan was funded by a Welsh Government pilot programme. A pilot programme also took place in the Conwy area at the same time. The funding comprised of a council-based project manager and also the commissioning of technical consultants Arup. Following the two pilots, plans are now underway to roll out local area energy planning to the rest of Wales.

Ofgem (Office of Gas and Electricity Markets) as the government regulator for the electricity and downstream natural gas markets in Great Britain developed a LAEP process methodology in 2020. The Newport pilot followed the methodology which combines robust technical analysis with comprehensive stakeholder engagement to create a route map for delivering decarbonisation as effectively as possible, identifying actions required by local and national government, energy providers, regulators, industry, and residents.

This process aims to account for the local and national wider conditions to achieve net zero, considering how co-operation with adjacent area can help to bring success to decarbonising the wider area.

The Local Area Energy Plan for Newport sets out a vision for reaching a zero-carbon local energy system by 2050 together with a summary of evidence to support the vision. Our vision for Newport's future local energy system is to:

- ***Develop a net zero energy system for Newport, as a city on the rise.***

Also included in the plan is a route map to get there, including a set of actions for the Council to support the journey whilst recognising the role of other key actors in government, the energy sector and across the community. It provides us with an understanding of the nature, scale, rate, and timings of changes that are needed for Newport's transition to a net zero energy system.

This plan also aims to facilitate increased local stakeholder awareness in Newport, resulting in more widespread and meaningful consent for the changes required and credible commitments to deliver the plan.

Plan structure

The plan is structured in three main topic areas:

- A. Where we are now? Describes the existing Newport energy system and relevant policies and objectives.
- B. Our future vision. Presents the future scenarios for a net zero local energy system, including risks and "low regrets" measures, which are very likely to be part of the future energy system regardless of uncertainty around certain aspects of the future.

- C. How will we get there? Provides a route map and action plan for us to use to drive the local energy system transition in Newport, including what needs to happen and what we will do.

Based on evidence the plan identifies seven priority intervention areas which represent the areas where physical change to the energy system needs to be made:

1. Whole building retrofit: (insulation, efficiency measures and behind meter generation) Including retrofit of council buildings, working with registered social landlords on the Optimised Retrofit Programme and reporting and improving level of energy performance certification (EPC).
2. Development of public electric vehicles (EV) charging infrastructure: Including publishing of a council EV strategy/approach, installation of charging points in council offices and car parks and transition council fleet vehicles to electric.
3. Electricity distribution network upgrades
4. Further development of onshore renewables
5. Support the development of an industrial innovation programme
6. Decarbonisation of heat through heat pump deployment and heat networks
7. Reduction of transport energy demand through active travel measures

The report outlines the impact of the LAEP on a range of people from an equality and socio-economic perspective and this demonstrates the multiple benefits for decarbonisation of the energy system including fuel poverty.

Financial Summary (Capital and Revenue)

Delivery of our Local Area Energy Plan will be overseen by our Climate Programme Board. The plan requires a dedicated 'programme manager' to lead and coordinate delivery, and budget provision for this is within the base budget in the Council's climate change team.

Some of the priority interventions areas set out in the LAEP will require further investigation and funds to progress sound deliverable actions, but the costs associated with these actions are unknown at this stage. One of the initial enabling actions specified in the LAEP is to develop a plan for funding arrangements to support delivery, this would likely be mainly sourced from grant funding and external sources. Once known, the financial plan to deliver this LAEP will need to be incorporated into the Council's MTFP and annual budgets, as appropriate.

Risks

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
The Local Area Energy Plan is not implemented	High	Low	Recruitment of a delivery programme manager	Strategic Director, Environment & Sustainability

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			Development of an appropriate governance structure to oversee the delivery of the plan	
Short term planning instead of longer term working as part of the Local Area Energy Plan	High	Low	Development of a short and long-term plan both monitored via the governance structure mentioned above. Regularly review of the Local Area Energy Plan to ensure the long-term aspirations and actions are fit for purpose	Head of Service, Environment & Public Protection
Insufficient resources & funding	High	Medium	Funding to be supplied for the recruitment of a delivery programme manager Other service areas to support delivery where required. Develop a plan for funding arrangements to support the delivery of the programme of works to enable the delivery of the LAEP	Strategic Director, Environment & Sustainability Head of Service, Environment & Public Protection

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Limiting climate change and reducing our carbon emissions are key to achieving all our well-being objectives and the well-being goals. If we don't continue to reduce carbon emissions and tackle climate change our well-being objectives and the well-being goals will be difficult if not impossible to realise.

Options Available and considered

- 1) To approve the attached draft city-wide Local Area Energy Plan for the whole Newport local authority area.
- 2) Not to approve the draft Local Area Energy Plan

Preferred Option and Why

- 1) To approve the attached draft city-wide Local Area Energy Plan for the whole Newport local authority area.

The Plan will provide a framework for the council to work with partners and stakeholders to deliver on a zero-carbon local energy system by 2050 for the whole city.

Comments of Chief Financial Officer

The LAEP sets out a vision and route map for reaching a zero-carbon local energy system by 2050.

A combination of capital and revenue spend will be required to implement the actions required to deliver the plan and sustain the intended positive outcomes. Funding will need to be identified and within an on-going challenging financial context, identification of external grants for that is important. In saying that, funding can also come from within existing revenue budgets, new revenue budget requirements with any pressures being highlighted in the Medium-Term Financial Plan, as well as some aspects included in the Council's capital programme.

Therefore, it will be important for this plan to be translated into tangible and costed actions and interventions so that these form part of medium-term financial planning. The Finance team will work closely with operational colleagues to do this.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report. The Local Area Energy Plan is in accordance with the Council's strategic well-being and corporate objectives regarding sustainability and climate change and is also consistent with socio-economic and equality duties. The implementation of the individual actions and objectives within the route map set out in the Plan will give rise to specific legal issues, which will need to be addressed as part of the delivery of these projects.

Comments of Head of People and Business Change

The report includes the requirement to appoint to a Programme Manager role and this will be supported through the Council recruitment processes. The climate change agenda also requires staff development which will be fully supported.

A Fairness and Equality Impact Assessment has been completed which fully considers the Wellbeing of Future Generation (Wales) Act, Equality Act 2010, Socio-economic Duty and the Welsh Language (Wales) Measure 2011. As stated in the report mitigating and adapting to climate change will help to reduce the negative well-being impacts on our communities.

Scrutiny Committees

N/A

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

The council has a number of legislative responsibilities to assess the impact of any strategic decision, proposal or policy on people that may experience disadvantage or inequality.

Summary of impact – Wellbeing of Future Generation (Wales) Act

The Local Area Energy Plan will have long term benefits for current and future generations by reducing carbon emissions and supporting the prevention of some of the impacts of climate change.

In the UK, it is forecast that we will experience changing weather patterns with stronger storms occurring more often, bringing an increased risk of flooding to local areas. During the summer months temperatures will continue to rise, bringing heatwaves and drought.

These changes will affect the quality of land, land use, and agriculture. Water and air quality will continue to worsen, and there will be changes to local ecology and wildlife biodiversity as a result of this, with some local species at risk of extinction.

With agriculture being affected, the cost of food will increase along with the cost of living. Damage to land and infrastructure will result in an increased strain on public services and local economies.

Changes in temperatures will also result in pests settling further north due to the warmer climate which will bring with them more diseases, not usually seen in the UK. Changes to the climate will also bring with it new forms of illnesses linked to extremes in temperatures, with the young and the elderly being most affected. The health system will continue to be put under even more pressure.

The Local Area Energy Plan will support the prevention of the worst impacts of climate change.

Limiting climate change and reducing our carbon emissions are key to achieving all of our well-being objectives and the well-being goals.

Stakeholders were involved in a number of engagement workshops throughout the development of the plan. They were also invited to feedback on the draft plan before it was finalised.

Summary of impact – Equality Act 2010

Age

The impact of climate change on younger people and future generations are likely to be greater than other sections of the community as temperatures are likely to rise as time goes on.

Extremes in weather tend to impact more greatly on the most vulnerable and those with existing health conditions so older people could also be impacted more greatly. There is a higher risk of heat related illness and mortality and older people are more susceptible to poor air quality and wildfire smoke. However, warmer winters are projected to decrease cold related deaths.

Disability

Extremes in weather tend to impact more greatly on the most vulnerable and those with existing health conditions so disabled people are likely to be impacted to a greater degree by climate change. There will be negative impacts on some conditions such as mental health problems, cardiovascular and respiratory disease, and diabetes. In addition, those with respiratory conditions are more susceptible to poor air quality and wildfire smoke.

Race

There are no specific impacts for race. However, ethnic minorities in Newport tend to live in the most deprived areas in Newport.

For example, poor air quality combined with health impacts of deprivation interact to modify and strengthen associations with all-cause and respiratory disease mortality especially in the 'most' deprived areas where the most-vulnerable people live and where health needs are the greatest.

In addition, ethnic minorities tend to have poorer health outcomes, lower disability-free life expectancy and higher rates of cardiovascular disease and diabetes which are all negatively affected by the impacts of climate change.

There are no specific impacts on the other protected characteristics contained in the Equality Act.

The Local Area Energy Plan will support the mitigation and adaptation of the impacts of climate change in the local area so has the potential to have a positive impact or to reduce the likelihood of a negative impact.

Summary of impact – Socio-economic Duty

There are multiple benefits for decarbonisation of the energy system from a socio-economic perspective. A direct impact of the Local Area Energy Plan will be the improved energy efficiency in homes across the city that which will reduce fuel costs and help with fuel poverty.

In addition, Public Health studies have shown that the indirect impacts of climate change such as poor air quality, poor health, poor physical environment tend to have the biggest impacts in deprived areas.

For example, poor air quality combined with health impacts of deprivation interact to modify and strengthen associations with all-cause and respiratory disease mortality especially in the 'most' deprived areas where the most-vulnerable people live and where health needs are the greatest.

The Local Area Energy Plan provides a framework to reduce carbon emissions across the city and mitigate against the impacts described above.

Summary of impact – Welsh language

There are no specific impacts for the Welsh Language. The Local Area Energy Plan will be translated.

Consultation

Public and private stakeholders have worked together on the development of the plan.

Background Papers

Draft Local Area Energy Plan

Fairness & Equality Impact Assessment

Additional LAEP Glossary of Terms

Dated: 7 June 2022