



Joint Report of the Cabinet Member for Economy, Finance and Strategy & Cabinet Member for Climate Change and Service Transformation

Cabinet – 20 January 2022

South West Wales Regional Energy Strategy Plan

Purpose:	To seek Cabinet approval to adopt the South West Wales Regional Energy Strategy.
Policy Framework:	Corporate Energy Strategy
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that Cabinet approves: 1) The 'draft' version of the South West Wales Regional Energy Strategy (see Appendix A). 2) Delegated authority to the Director of Place and Cabinet Member for Climate Change and Service Transformation to make any final changes to the Strategy in line with the approval process of the four local authorities. 3) The onward submission of the draft South West Wales Regional Energy Strategy to the Regional Corporate Joint Committee (CJC) once formally constituted.
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1. Introduction

- 1.1 As part of the public sector response to the challenges and opportunities created by climate change, the 'net zero' carbon agenda and the 'green industrial revolution', the Welsh Government has supported the development of Regional Energy Plans across Wales.

- 1.2 The South West Wales Region Energy Strategy was commissioned by the Welsh Government and supported by the Welsh Government Energy Service - established in 2018 to provide stimulus to drive forward a vision for a new energy system. It has been developed by the South West Wales Energy Core Group, a sub-group of the Regional Directors' forum from the Swansea Bay City Region local authorities of Carmarthenshire, Neath Port Talbot, Pembrokeshire and Swansea with additional support from an Advisory Panel and regional stakeholders.
- 1.3 The overall objective of the strategy is to develop a strategic pathway 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 (2030 for the public sector).

2. Overview

- 2.1 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).

- 2.2 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
- Renewable energy generation
- Distribution of heat
- Decarbonisation of transport
- Local energy generation and ownership
- Flexibility and smart energy

- 2.3 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 schemes – is helping to build momentum.
- 2.4 The scale of both the challenge and the opportunity is also recognised as a key economic driver for the region. Consequently, the recently updated Regional Economic Strategy (RES) and (Welsh Government) Regional

Economic Framework (REF) identify 'South West Wales as a UK leader in renewable energy and the development of a net zero economy' as one of three over-arching missions.

2.5 In terms of delivery, there are a number of initiatives in development including:

- (i) local authority led thematic groups – focussing on domestic buildings, renewables, commercial and industrial and transport, and
- (ii) the development of local area energy plans (LAEPs) that will bridge the landscape between local and regional initiatives. These are also supported by a network of local, regional and national groups.

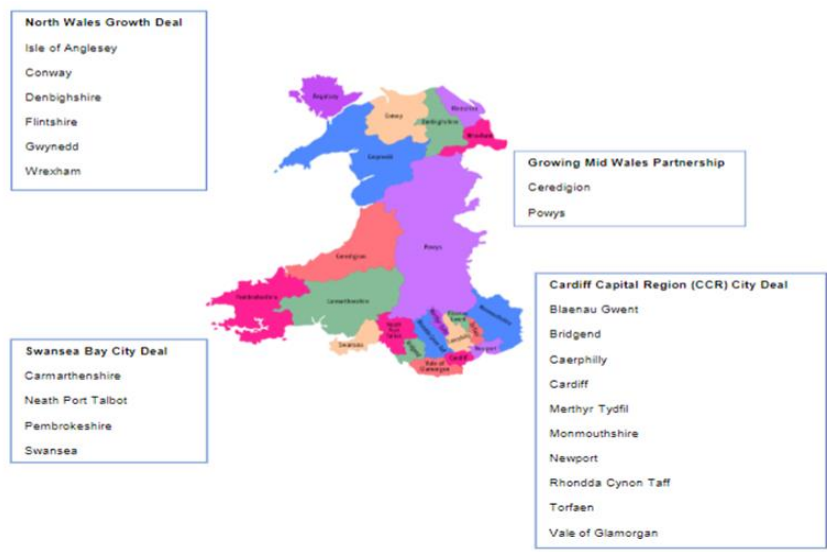
2.6 Responsibility for monitoring the South West Wales Regional Energy Strategy is likely to feature as part of the economic well-being function in the governance structures being developed to support the South West Corporate Joint Committee (CJC).

3. Resources

3.1 The South West Wales Regional Energy Strategy project is likely to require a cross cutting number of experts given the specialist knowledge required in its implementation. As such, the core group will be supporting this requirement in the development of the strategic plans.

3.2 In addition to the above, Welsh Government Energy Services are jointly committed to delivering the South West Wales Regional Energy Strategy and will therefore continue to support its development.

3.3 Welsh Government Energy Services (WGES) are currently supporting other Regional Energy Plans which are at advanced stages as illustrated below:



4. Integrated Assessment Implications

4.1 The Council 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 who experience socio-economic disadvantage
- Consider opportunities for 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.

4.1.1 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 the 'well-being goals'.

4.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

4.2 An Integrated Impact Assessment (IIA) Screening Form (Appendix B) has been completed and reviewed. The agreed outcome was that a full IIA report was not required as the equalities and engagement implications were considered low but the impact on future health and well-being and prosperity has potential to be high.

Impacts could be very direct for citizens and businesses across the region going forward, more renewable energy sources, reducing fuel poverty and improving health, well-being and prosperity for all. Investment in new technologies could also offer green jobs and reskilling opportunities to help support such a new and emerging sector.

5. Financial Implications

5.1 Whilst there are no immediate financial implications for this Council individually associated with this report, the draft strategy identifies substantial investment will be required by both the Council and the region.

It is likely, given the magnitude of forecast investment spend that substantial Welsh and UK government funding assistance will be needed to achieve the draft goals set out. Future funding requirements for any specific projects or initiatives will be the subject of separate future reports to both this Council (and its committees) and to the South West Wales Corporate Joint Committee which has future levying powers on the councils in the region.

6. Legal Implications

- 6.1 Whilst there are no immediate, direct legal implications associated with this report, it is anticipated that the new regional energy strategy will become one of the underpinning regional strategies under the emerging Corporate Joint Committees. As such once the CJC is constituted in early 2022, it is expected that a formal regional approval will follow as part of the Economic Well-being strand.

Background Papers: None

Appendices:

- Appendix A 'Draft' South West Wales Regional Energy Strategy
Appendix B Integrated Impact Assessment (IIA) Screening Form