



Derby City Council

**REGENERATING OUR CITY
OVERVIEW AND SCRUTINY BOARD
29 March 2016**

ITEM 6

Report of the Strategic Director of Communities
and Place

Energy Security Strategy

SUMMARY

- 1.1 This report has been developed in response to a Motion which was approved by Cabinet on 25th November 2015. A full description of the motion is contained in Section 4.1.
- 1.2 The report summarises existing energy efficiency schemes which exist within Derby and looks to future potential for further energy efficiency and renewable energy generation opportunities for the City.
- 1.3 The potential for any further development of this work needs to be tempered with the loss of the Council's Climate Change service which will effectively come to an end at the close of the current financial year.

RECOMMENDATION

- 2.1 To commission an in-depth study and produce an Energy Strategy for the city similar to the one produced for Nottingham;
- 2.2 To factor the issue of energy security into all future development and regeneration plans for the city.

REASONS FOR RECOMMENDATION

- 3.1 Without a medium to long term vision for the city, and a plan to achieve the vision, progress will likely be piecemeal and ineffective. Nottingham City Council's Energy Strategy is an excellent example of what Derby should look to achieve.
- 3.2 There are a number of areas which must be considered alongside 'electricity' to work towards mitigating the effects of climate change and energy consumption on the security of energy (not just electricity) for the city.
- 3.3 From 1st April 2016 the Climate Change team will no longer exist; other resource will have to be secured to implement the Energy Strategy.

SUPPORTING INFORMATION

4.1 Notice of Motion: Energy Policy

Moved by Councillor Care, seconded by Councillor Carr

Derby City Council is concerned about the lack of an effective national energy policy, recently demonstrated by the National Grid calling on its 'last resort' option to prevent electrical blackouts early in November and leaked memos indicating that the UK is unlikely to meet its 30 per cent energy from renewables target for 2020.

The City Council therefore agrees to develop a local electricity security strategy, working with the private sector to include energy efficiency, renewable electricity generation and electrical power storage. To achieve this, Council agrees to form a member-led, cross-party group with four to eight members, and working with other partners, to report back by March 2016.

4.2 A key issue for the Council, moving forward, is that due to budget cuts the Climate Change Team will cease to operate on a revenue funded basis from 1st April 2016. As such, a new delivery mechanism for taking forward energy related projects must be found. The aim of the report is to outline what work has been undertaken to date in this area along with scoping out what further work needs to be undertaken as opportunities present themselves and additional resources are secured.

4.3 The full 'Towards an Energy Security Strategy' report is contained in Appendix 2.

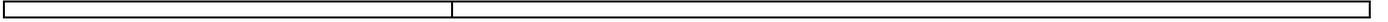
OTHER OPTIONS CONSIDERED

5.1 None

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	
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For more information contact: Background papers: List of appendices:	Gemma Sylva 01332 642029 Gemma.Sylva@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Energy Security Strategy update
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IMPLICATIONS

Financial and Value for Money

- 1.1 The city may be less vulnerable to price volatility in the energy markets, if more energy is locally produced and if more buildings generate a proportion of their own power.
- 1.2 Borrowing will be necessary to implement some schemes. Alternatively, funding may be sought to cover all or part of the costs for some projects (for example European Structural Investment Funds).
- 1.3 It should be possible to calculate the payback period for larger schemes, including renewable energy generation. Income is paid per unit of energy generated and also per unit of surplus energy sold back to the National Grid, so schemes could provide a source of income.

Legal

- 2.1 None directly arising.

Personnel

- 3.1 There will be no Climate Change team from 1st April 2016, as such; the Council will need to allocate personnel resource if they wish to take this report further.

IT

- 4.1 None directly arising.

Equalities Impact

- 5.1 None directly arising.

Health and Safety

- 6.1 None directly arising.

Environmental Sustainability

- 7.1 Making the city more energy efficient, with greater renewable energy generation capacity (thus improving energy security) will have a positive effect on environmental sustainability, as there will be less reliance on energy generated from

burning fossil fuels. This will result in lower carbon emissions for Derby, as well as future cost savings as the price of energy from fossil fuels increases.

Property and Asset Management

- 8.1 Improving the energy efficiency of the Council's properties will reduce running costs, particularly energy bills, and could also generate income from renewable energy generation. However, any renewable energy systems will require regular maintenance which will incur a cost, in addition to the cost of installation. In some cases, for example where energy efficient LED lighting is installed to replace fluorescent strip lighting, in addition to energy, carbon and bill savings, there will be savings for maintenance costs, as LED lights last considerably longer than fluorescent strip lights.

Risk Management

- 9.1 None directly arising.

Corporate objectives and priorities for change

- 10.1 Reducing the city's carbon footprint by creating and implementing an Energy Strategy will support the Council's Derby 2030 vision.