

WEST MIDLANDS REGIONAL ASSEMBLY

Planning and Environment Executive Meeting 22 September 2009

UK Low Carbon Transition Plan

1. Purpose of Report.

- 1.1 The purpose of this report is to advise the Executive about the comprehensive national government plan to move the UK onto a permanent low carbon footing, whilst maximising economic opportunities and set out initial implications for planning and environment and RSS Phase Three energy matters.

2. Recommendation

- 2.1 That the Executive supports the establishment of an officer task and finish group to coordinate the regional response to the UK Low Carbon Transition Plan and to ensure that renewable energy and low carbon policies are taken forward into the new Regional Strategy (RS).

3. Report Detail

- 3.1 The Government have recently published the UK Low Carbon Transition Plan (the Plan). It sets out how the UK will meet a substantial cut in carbon emissions set out in the budget of 34% on 1990 levels by 2020. This timeframe is well within the plan period of the current RSS process and will need to be a major consideration of the proposed Regional Strategy up to 2031.
- 3.2 The Plan is a large and complex report that includes three separate strategies: the Renewable Energy Strategy, a Low Carbon Transport Plan and a Low Carbon Industrial Strategy. The attached appendices to this report sets out the main points of the UK Renewable Energy Strategy and Low Carbon Transport Plan. The Regional Transport Executive will be considering the Low Carbon Transport Plan in greater detail. The AWM Board are also considering the Plan and will focus on the Low Carbon Industrial Strategy.

- 3.3 The Government's Low Carbon Transition Plan is an ambitious UK approach to increase the pace of change to a low carbon economy by 2020. It sets out a high level route map for the transition across all sectors, including planning and the environment. This will involve major changes in the way the UK use and supply energy and also ensure the supply of energy is safe, secure and reliable.
- 3.4 Local Government has a pivotal role in tackling climate change and contributing to the implementation of the Plan through its community leadership role and range of services that it provides. Work at the regional level can bring other partners and local authorities together to consider the implications of the Plan across areas and co-ordinate activity with the existing GOWM structures, reporting to the Regional Minister looking more broadly at the delivery of the Regional Climate Change Action Plan.
- 3.5 The implementation of the Plan will mean increased pressure on the development planning system to come forward with robust and sustainable development plans with community and political support that protects and improves the environment, whilst accelerating the provision of new energy infrastructure. Increasingly, new low carbon infrastructure, coupled with greater sustainable design and construction driven by the standards of the Code for Sustainable Homes from 2016, will become the norm for new housing development and this will have implications for the existing built environment energy supply and new development.
- 3.6 The Renewable Energy Strategy plans how the UK will meet the UK increased target of getting 15% of all energy (electricity, heat and transport) from renewable sources by 2020. This represents a substantial increase on previous targets and contrasts sharply with the 5% target agreed by the Regional Assembly within the existing region's Regional Energy Strategy developed in 2004.
- 3.7 A new national Office for Renewable Energy Deployment is proposed in the Department of Energy and Climate Change that will be responsible for speeding up the uptake of renewable energy and undertake to work with local authorities and other partners to speed up the planning system in bringing forward decisions on renewable energy, whilst protecting the environment. Further detail is set out in **Appendix 1**.
- 3.8 The Low Carbon Transport Plan sets out how to reduce carbon emissions from domestic transport by up to 14% to 2020. The Transport Executive will be considering a more detailed report on this part of the Plan. Further detail is set out in **Appendix 2**.

4. Implications for Planning and Environment

- 4.1 These ambitious plans reinforce the existing PPS 1 supplement on climate change; the proposed policy approach set out in the draft RSS Phase Two Revision and sets out to increase the pace of achieving a low carbon approach in planning and regeneration as part of the energy planning process. Nationally, the Government will be combining elements of PPS1 and PPS22 on renewable energy into a single planning policy statement on climate change by the end of 2009.
- 4.2 The new Office for Renewable Energy Deployment will have a role working with local authorities to identify renewable energy opportunities. A national renewable deployment task force will take forward new work for all regions to develop evidence based assessments of their potential for energy developments. This will require the region to work together to build on existing assessments. Over the next two years programmes to develop the skills and knowledge of the planning community on energy and low carbon matters will also be implemented.
- 4.3 Nationally, the new Infrastructure Planning Commission that comes into operation in 2009, will consider larger renewable energy schemes of at least 50MW onshore. A national policy statement on renewable energy is also expected in the autumn.
- 4.4 At the regional level, there are proposals to develop regional renewable energy targets, the need to consider updating the evidence base and work with AWM on the refresh of the Regional Energy Strategy.
- 4.5 Members will be aware that, energy matters are part RSS Phase Three work streams and consideration will need to be taken of the consultation responses and the new national approach in progressing this RSS Three work stream and the emerging Regional Strategy work. (See RSS Phase Three Report Agenda Item 4c.)
- 4.6 It is recommended that the Executive supports the establishment of an officer task and finish group with AWM and other partners to strengthen the level of co-ordination on this important draft response to the proposed PPS consultation and feed into the GOWM Climate Change Office. This work needs to develop renewable energy and low carbon policies for the new Regional Strategy (RS) that will replace RSS and RES from April 2010.

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Agenda Item 5a - Appendix 1

The UK Renewable Energy Strategy

In parallel to the publication of its Low Carbon Transition Plan, the Government published its Renewable Energy Strategy which sets out how the UK could meet its renewable energy targets for 2020. The Strategy can be downloaded at:

http://www.decc.gov.uk/en/content/cms/what_we_do/uk_supply/energy_mix/renewable/res/res.aspx

The aim of the Strategy is to enable the Government to tackle climate change and reduce the UK's emissions of carbon dioxide by over 750 million tonnes between now and 2030. The Government hopes that these aims will promote security of energy supply reduce overall fossil fuel demand by 10% and gas imports by 20-30% against what they would have otherwise been by 2020. A further potential benefit of implementing the Strategy would be the expansion of economic opportunities through the creation of half a million more jobs in the UK renewable energy sector resulting in around £100 billion of new investment.

Overview of the UK Renewable Energy Strategy

The Strategy sets out the Government's action plan for delivering its renewables goals. According to the Government's lead renewable energy strategy scenario, by 2020 the UK could see:

- more than 30% of electricity generated from renewables
- 12% of heat generated from renewables; and
- 10% of transport energy from renewables

To attain this scenario, the Strategy sets out:

The path to 2020 and the required balance of fuels and technologies – The Government suggests that as much as 30% of electricity could come from renewables by 2020, more than two-thirds of which could come from on and offshore wind, with further important contributions from hydro, sustainable bio-energy, marine sources and small-scale technologies. 12% of heat could come from sustainable biomass biogas, solar and heat pumps. Renewable sources could provide 10% of the UK's road and rail transport energy.

A strategic role for the Government – The government will provide greater financial support aimed at a wider range of technologies and groups in society; and swifter delivery (including in the planning system and in supply chains, stronger renewable industry, quicker and better grid connection and more sustainable bio-energy). There will also be a stronger push on new technologies and resources to help reduce the cost of meeting the UK's 2020 targets.

Role for Individuals, Communities and Businesses – The Government will give communities an opportunity to harness renewable resources and their benefits through the introduction of new mechanisms for financial support and improved advice for households wishing to install renewable generation. At the heart of the Strategy is an approach that is based on an assessment of the renewables capacity and constraints in each region and which seeks to ensure engagement by regional bodies, Local Authorities and communities.

Planning and the UK Renewable Energy Strategy

The Strategy recognises that the planning system will play a central role in delivering the Government's renewable energy goals. The Strategy states that the Government does not want to see large-scale renewable deployment in places where it is inappropriate. But in places where such deployment is considered both appropriate and desirable, Government is determined to make faster progress.

The Strategy outlines a range of actions to achieve the Government's renewable energy goals which are summarised below.

At the regional level, a strategic approach to planning is proposed with evidence-based regional targets for renewable energy. The Strategy stresses that the new-look regional strategies must contain ambitious targets for renewable power and low-carbon energy development. It states that regions should "set targets for renewable energy capacity in line with national targets or better where possible".

However, the Strategy also makes it clear that the drive for more renewable energy development should not undermine other environmental policy. "This strategy does not change existing environmental protections, such as the more stringent planning tests applicable to [renewable energy] sites with nationally recognised designations, including national parks and areas of outstanding natural beauty (AONBs)".

The Strategy promises to support regions "to review their targets for renewable energy and take a proactive, evidence-based approach to identify appropriate opportunities for renewables as well as any genuine constraints to deployment". The Government has pledged to provide an extra £10m over the next two years to ensure the right skills and knowledge are available within the planning community at local and regional level. This will include setting up, funding and managing a variety of support including an 'Expert Support Network' for planners on renewable energy as well as through existing bodies such as the Planning Advisory Service (PAS).

At the local level, proposals include reducing the number of small-scale developments that require full planning permission by extending permitted development rights for equipment such as small wind turbines and air source heat pumps. The government will consult on the details later in the year with the aim of introducing new regulations in April 2010.

The Strategy also encourages the wider use of Planning Performance Agreements (PPAs) which enable Local Authorities to agree with the developer a timescale and plan for reviewing an application based on full engagement between developer, Local Authority and statutory consultees in pre-application discussions.

At the national level, the Government has made it clear that where necessary the Secretary of State for Communities and Local Government (CLG) will not hesitate to call in planning appeals of major significance for the delivery of the Government's climate change programme and energy policies. The Planning Inspectorate will also be expected to give high priority to the handling of appeals relating to renewable energy proposals.

CLG will also update its planning policy guidance and will publish a new draft combined climate change planning policy statement (PPS) for consultation by the end of 2009.

Putting the new regime into effect will rely heavily on the Infrastructure Planning Commission (IPC), which is due to come into formal existence on 1st October 2009. Among the nationally significant projects that will fall within the IPC's remit in England and Wales are renewable electricity generating schemes with a capacity of at least 50MW onshore and 100MW offshore.

A new body, the Office for Renewable Energy Deployment (ORED), will be established to work with CLG, local authorities and other stakeholders such as the Planning Advisory Service to improve the planning process and develop criteria to help identify renewable energy opportunities for any given area at a strategic level.

ORED will oversee a Renewables Deployment Taskforce responsible for administering the regional and local planning aspects of the strategy. It will provide up to £1.2 million for all regions to draw up an evidence-based assessment of their potential for energy developments. ORED.

UK Renewable Energy Strategy and Regional Strategies

The Strategy states that Regional Strategies will be required to contain policies designed to contribute to the mitigation of, and adaptation to, climate change and will need to contain ambitious regional targets for renewables, as well as some forms of low-carbon energy.

In order to ensure that regional targets are sufficient to deliver a step change in renewable energy deployment and reflect the best possible options for their area, the Strategy says that Government will support regions to review their targets for renewable energy and take a proactive, evidence-based approach to identify appropriate opportunities for renewables as well as any genuine constraints to deployment.

The Strategy recognises that it is vital that all regions are using a consistent approach to formulating this evidence base. The ORED will bring together industry, NGOs, Devolved Administrations, regional and local planners, statutory advisors on the environment and other planning stakeholders to develop a robust methodological approach and criteria for identifying the opportunities and constraints for renewable deployment in any given area at a strategic level. In England this work will be overseen by the new Renewables Deployment Taskforce.

The Government recognise that the evidence-based approach to energy planning will require additional support for skills development and funding for assessments. ORED will provide up to £1.2 million of support to help all regions put in place a robust evidence-based assessment of their capacity for energy projects.

The Government will consult on more explicit guidance later this year on how they expect the regions to deliver these targets and its specific expectations for Regional Strategies.

Through ORED and the Government Offices, the Government will test, scrutinise and, as necessary, challenge the energy components of regional and local strategies as they develop.

Before signing off regional strategies for publication by responsible regional authorities, the Strategy states that the Government will need to be satisfied that regional strategies have an ambitious and deliverable strategy on renewable and low energy, including heat and community-scale projects.

UK Renewable Energy Strategy and RSS Phase Three

One of the objectives of the RSS Phase Three Revision is to “promote the development of renewable energy and low carbon technology resources, subject to appropriate environmental and social safeguards”.

Figures for 2007 indicate that the West Midlands was responsible for consuming the equivalent of 56,198 GWh of gas and 26,955 GWh of electricity. In comparison, 800.5 GWh of electricity was generated in the West Midlands from renewable sources - 2.9% of electricity consumption.

The current Phase Three Options consultation document acknowledges the need for stretching but realistic targets and seeks views on whether an updated target in the WMRSS should aspire to meet the national target for generating renewable energy, adopt the West Midlands Regional Energy Strategy targets or adopt sub-regional targets which reflect the opportunities and constraints in those areas. The UK Renewable Energy Strategy would suggest the adoption of the latter Option but this would involve assessing the potential renewable energy and low carbon technology resources and planning constraints in each sub-region and apportioning a target for that area.

Some work on potential opportunities and constraints for renewable energy has been undertaken at the regional level in the past. For example, there have been regional Wind Energy Resource Assessments (GOWM, 2004 and AWM, 2008), a Ground Source Heat Study (GOWM, 2004), Coal Mine Gas Study (GOWM, 2004), and a Heat Mapping and Decentralised Energy Study (AWM, 2008). There are, however, gaps in the assessment of renewable energy potential on technologies such as biomass, solar and air source heat pumps. The methodologies for the West Midlands regional studies may also be inconsistent with those yet to be developed by ORED. Further work will therefore be required, with Government support, to meet the UK Renewable Energy Strategy requirement for evidence-based regional targets.

The RSS Phase Three Options consultation document also recognises that whilst it is important that renewable energy and low carbon technology is encouraged, it is important that it is appropriately located. The Options document therefore seeks views on how the WMRSS can ensure that renewable energy is appropriately located, including an option for criteria-based policies. The Regional Assembly have commissioned work to assist in the development of potential criteria for assessing the suitability of renewable energy planning applications and this work is currently in progress. This work will need to be taken forward as an important RSS Phase Three workstream.

UK Low Carbon Transport: A Greener Future

Low Carbon Transport: A Greener Future is a key part of the UK Low Carbon Transition Plan. It is set within context of targets set in the UK Climate Change Act:

- to reduce UK greenhouse gas emissions by at least 80% by 2050; and
- 5 yearly carbon budgets for the UK economy to 2022.
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Greenhouse gas emissions from transport represent 21% of total UK domestic emissions (with road travel overall accounting for 92% and business related and freight transport accounting for over 50% of the domestic transport sector); therefore decarbonising transport needs to be part of the solution.

The strategy is based upon 3 broad themes: Supporting a shift to new technologies and fuels; promoting lower carbon transport choices and using market measures to encourage a shift to lower carbon transport. The strategy sets out the actions that need to be taken now; the work that we need to take forward in the period to 2022; and outlines the building blocks being put in place for longer term change to inform decision making for the period to 2050.

Successful delivery of this strategy will enable a further 17.7 million tonnes of transport emissions related CO₂ in 2020 to be saved in addition to the 15 million tonnes that are expected to be saved through existing policies. By 2050 road and rail will be largely decarbonised. The technical challenges are greater for aviation and shipping, but these modes too will have seen a real improvement in efficiency.

The UK Renewable Energy Strategy has been published in parallel with this strategy and sets out a range of scenarios for how much bio-fuel we will be using between now and 2020. These proposals will be firmed up in a National Action Plan to be published in June 2010.

At the regional level, the DaSTS process provides an opportunity for regions to identify their carbon reduction challenges and potential solutions; LTP guidance will emphasise the importance of reducing transport emissions and the framework for the next round of LAAs will encourage local authorities to tackle carbon emissions. More details of the future programme to deliver the Low Carbon Transport: A Greener Future strategy will be set out in Spring 2010.

Road

Targets are to be set for central government departments and their agencies to procure lower carbon cars are already in place with a new target being set later this year. There is a £400m commitment to encourage development and uptake of ultra-low carbon vehicles through a range of current and future initiatives. There will be a new performance framework introduced for CO2 reduction from vans through the EU. Study published alongside this strategy of the carbon emissions and savings that can be achieved from a number of HGV technologies (eg aerodynamic trailers, low rolling resistance tyres and alternative power trains) see www.dft.gov.uk/pgr/freight/research. Financial support for bus industry is being revised to further incentivise technological change through modifications of the Bus Services Operators Grant; and a scheme to provide grants of up to £30m over 2009/10 and 2010/11 to encourage take up of low emission bus technology. Further targeted support is to be provided to enable companies to transfer freight from road to rail or water. A new working group launched to develop a consistent carbon measurement and reporting method and standard for the logistics industry supply chain.

Rail

The Department will shortly confirm major electrification programme for the heavy rail network. Government investment and support for the railways will be £15 billion from 2009 – 2014 with £10 billion of this being focussed on enhancing capacity. An Environmental target for the rail industry will be set in the next High Level Output Statement covering 2014-19. New “Super Express” trains coming into service from 2014 will be cleaner, greener and generate less noise than those that they will replace.

Aviation and shipping

The Government is calling for agreement to a global sectoral target for aviation as part of a wider global deal on emissions. Department is promoting international emissions trading mechanisms as a key policy lever. Government led discussions to develop an international standard for aircraft fuel efficiency with an agreed goal now in place to increase fuel efficiency by 2% each year to 2050. Shipping represents 7% of all greenhouse gas emissions from UK domestic and international transport. This strategy is looking to support shipping industry to exploit full potential of technology to improve fuel efficiency and reduce emissions

Promoting sustainable modes

The Department to consult this summer on a smart and integrated ticketing strategy for England. Providing investment (nearly £50 million match funding over 3 years) and support for 18 Cycling demonstration towns and Cities across England. A National Cycle Plan is to be developed.