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**Report to Clackmannanshire Council**

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**Date of Meeting: 24 September 2020**

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**Subject: City Region Deal – Regional Energy Masterplan**

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**Report by: Strategic Director (Place)**

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**1.0 Purpose**

- 1.1. The purpose of this report is provide members with a summary of and progress with the Regional Energy Masterplan, a project which forms part of the Stirling and Clackmannanshire City Region Deal.

**2.0 Recommendations**

- 2.1. It is recommended that Committee:
- 2.2. notes the objectives and outputs of the Regional Energy Masterplan project; and
- 2.3. notes and endorses progress to date and the approach being taken by the Project Delivery Group to start work on the Regional Energy Masterplan.

**3.0 Considerations**

***Background***

- 3.1. The Stirling and Clackmannanshire City Region Deal submission had a strong focus on energy as a theme and, in particular, the importance of sustainable energy systems, in line with Scotland's world-leading carbon reduction targets. In recognition of this, the bid was successful in obtaining Scottish Government funding of £200K to develop a Regional Energy Masterplan as part of the City Region Deal. This is the full cost of the project and no match funding is required. It is a joint project between Stirling and Clackmannanshire Councils.

***Project Summary***

- 3.2 The Regional Energy Masterplan project is a piece of consultancy work that will identify strategically important (large-scale) as well as local (small scale) energy projects, interventions and activities, ensuring residents and businesses across Stirling and Clackmannanshire have resilient, secure and affordable energy supplies while reducing carbon emissions through:

- improving energy efficiency and removing poor energy efficiency as a driver for fuel poverty
  - reducing energy demand; and reducing energy waste
  - decarbonising and decentralising our energy systems (heating, power and transport) – matching local demand with local supply where possible through increased low carbon and renewable energy generation, and the integration of sustainable energy and transport.
- 3.3 These projects, interventions and activities will be outlined in the form of a road map over 25 years, in 5-year phases. They will then be prioritised based on agreed weighting in line with local and national priorities and targets. This will ensure investment in infrastructure that brings direct benefits to our communities, including fuel poverty reduction, carbon emissions reduction and regeneration of areas. Development of Business Cases for strategically important projects will also form part of this project.
- 3.4 Promoting local energy solutions, planned with community involvement will ensure that heat, energy and renewables opportunities are optimised in a safe, sustainable, end-user focused manner with community energy at its core, ensuring that energy master planning responds to local needs.
- 3.5 Progress with the Regional Energy Masterplan (REM) is especially important in the light of the COVID-19 situation. The potential of low carbon and renewable energy in creating new jobs and attracting new business into the area will very much be part of the area's economic recovery plan and, alongside the Council's forthcoming Sustainability and Climate Change Strategy will form a basis for a green recovery.
- 3.6 With regard to governance of the project, the Project Delivery Group consisting of project managers and service/senior managers from both Councils will oversee the day to day running of the project and will monitor the project delivery plan. An REM Advisory Board, which has still to be established, will receive regular updates on progress and will meet to take decisions escalated by the Project Delivery Group.

### ***Progress with Regional Energy Masterplan***

- 3.7 Over the course of Summer 2020, regular meetings of the Project Delivery Group, consisting of officers from Clackmannanshire and Stirling Councils and the have taken place to drive the project forward.
- 3.8 Key Scottish Government officials from the City Deal and Climate Change Divisions have also attended meetings to ensure that the approach being taken meets with their requirements as funder. Given that the REM differs from most other City Region Deal (CRD) projects in that it is not a capital project but will act as a catalyst for future capital projects, it has been agreed that the business case can be single stage and less detailed than is normally required.
- 3.9 Both the business case and a finalised tender specification for consultants have been prepared and were passed to Scottish Government in late July for review and endorsement. A response is awaited.

- 3.10 Subject to the Scottish Government's endorsement of the business case and tender specification, it is proposed to seek approval to proceed with the project at the next available CRD Joint Committee meeting.
- 3.11 The first stage of the project is procurement of consultants which will start in October/November 2020 with completion of this phase in January 2021. The contract will be awarded in February 2021 and will run for 14 months.
- 3.12 There will be a financial risk attached to this project if the CRD grant award letter issued by UK and Scottish Governments is delayed beyond October, its current target date. This is low risk as a relatively small amount of £15,000 is currently being proposed as the 2020/21 spend to be shared between both Councils. This could, however, be mitigated towards the end of the calendar year where the Advisory Board can decline to award a contract to the preferred consultants until such time as the Government grant award letter is received. Early work on the REM is linked to the procurement process as opposed to any billable work being carried out. Consultants will not start work until January/February 2021.

***Links to Be the Future Transformation Plan***

- 3.13 The Council will soon start preparation of a new Sustainability and Climate Change Strategy, a priority in the Council's transformation plan and the Regional Energy Masterplan will form an important part of this. It is envisaged that the two can run concurrently and that the Council can 'piggyback' on some of the consultation events that are undertaken by consultants for the REM.

**4.0 Sustainability Implications**

- 4.1 The output from the REM project will contribute significantly towards a more sustainable approach to our future energy systems.

**5.0 Resource Implications**

**5.1 *Financial Details***

- 5.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

- 5.3 Finance have been consulted and have agreed the financial implications as set out in the report. Yes

**5.4 *Staffing***

- 5.5 There are no staffing implications.

## 6.0 Exempt Reports

6.1 Is this report exempt? Yes  (please detail the reasons for exemption below) No

## 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box )

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all   
Our families; children and young people will have the best possible start in life   
Women and girls will be confident and aspirational, and achieve their full potential   
Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies** (Please detail)

Sustainable Inclusive Growth   
Empowering Families and Communities

## 8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?  
Yes  No

## 9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

## 10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None

## 11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes  (please list the documents below) No

### Author(s)

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### Approved by

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