



# Report to the Joint Executive Committee

Meeting Date – 9<sup>th</sup> September 2024

Key Decision – No

Public/Private – Public

Portfolio – Cllr Mark Fryer, Leader Cumberland Council and Cllr Jonathan Brook, Leader Westmorland and Furness Council

Directorate – Place, Sustainable Growth and Transport

Lead Officer – Alistair Craig, Net Zero Programme Manager, Enterprising Cumbria

**Title – Enterprising Cumbria Net Zero Programme Update**

## **Brief Summary:**

This report provides an update on the Enterprising Cumbria net zero programme, including recent activity following transfer of functions from CLEP. The risk register includes issues around novation of contracts, financial claims and the future of CLEP sector and strategy groups. The paper also sets out plans put forward by the North West Net Zero Hub for a new North West Senior Leaders Forum focussed on net zero, to be attended by political and business leaders.

## **Recommendations:**

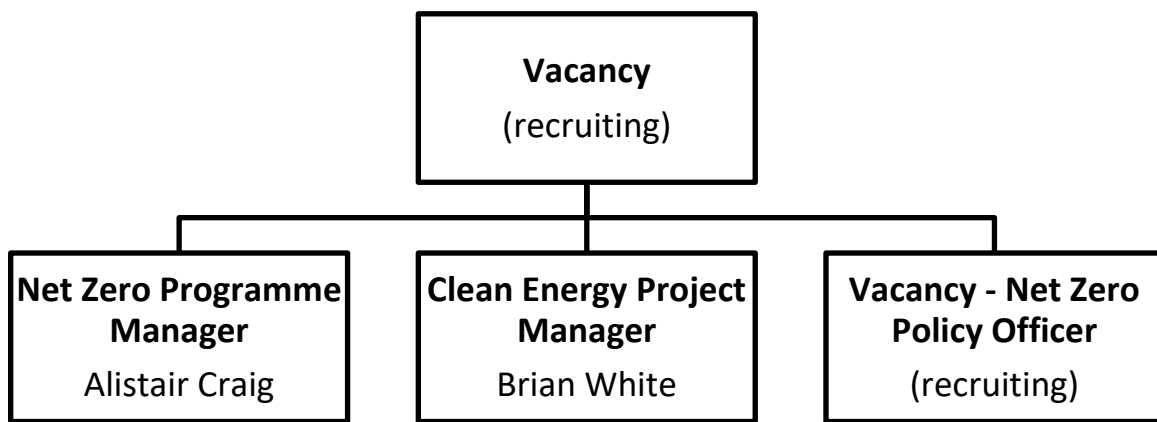
**For the reasons set out in this report, the Joint Executive Committee is recommended to:**

- Note the content of this report and consider any issues arising from the risk register.
- Note the new NW Senior Leaders Forum and the opportunity for Cumbria to engage at a North West level with metro mayors and other leaders on net zero issues, and to consider who will represent Cumbria at the forum.

## **1. Background**

1.1 Following transfer of functions from CLEP, the Enterprising Cumbria net zero programme has continued to focus on the twin priorities of promoting new clean energy generation and supporting business decarbonisation.

- 1.2 The programme is funded by the North West Net Zero Hub (NWNZ Hub), one of five DESNZ-sponsored hubs across England. The hub funds three full-time roles in the programme until at least September 2025.
- 1.3 The Hub's core role is to support local net zero projects and develop local government capacity in net zero policy and delivery.
- 1.4 Two roles in the programme are vacant since April 2024. Both are currently out for recruitment and expect to be filled in the Autumn.
- 1.5 Two grant agreements between the NWNZ Hub and CLEP, providing funding for the programme, are in the process of being novated to Cumberland Council.



## 2. Items for consideration

### 2.1 North West Senior Leaders Forum

- In early 2024, the North West Net Zero Hub proposed to establish a 'North West Senior Leaders Forum' to convene political and business leaders from across the North West to discuss net zero issues, on a regular cycle.
- Previous attempts to convene such a group have stalled due to scheduling and travel conflicts. This forum will meet virtually, at first.
- Cllr Louise Gittens (Leader of Cheshire West and Chester) has agreed to chair the forum with secretariat support provided by the NWNZ Hub.
- Each North West area has been invited to propose two members – a political leader (council leader or elected mayor) and a business representative (such as a LEP or Economic Growth Board chair). Alternates or deputies can attend as required. Officers will attend for note taking and support if required.
- Due to the general election, a date has yet to be set for the first meeting. Once representatives from each area have been confirmed, the Hub will support the chair to schedule the first meeting.

**Recommendation:** That the JEC note the new forum and the opportunity for Cumbria to engage at a North West level with metro mayors and other leaders on net zero issues, and consider who will represent Cumbria at the forum.

## 2.2 Clean Energy Sector Panel and Business Decarbonisation Strategy Group

- Since transfer of functions, CLEP's two net zero related sub-groups have continued to meet as normal.
- Both groups have now met for the last time prior to CLEP sunsetting in September 2024.
- A way forward for both groups has not yet been agreed. Group members have expressed an interest in continuing their activity and we have committed to keeping them informed as Enterprising Cumbria and the new Board are established.
- It will be for the new Economic Growth Board to decide a way forward for the CLEP sub-groups.

## 2.3 Programme updates

- Energy networks engagement
  - There are long running challenges around the constraints of Cumbria's electricity network and the implications for new nuclear, offshore wind and other clean energy projects.
  - Josh MacAlister, MP for Workington and Whitehaven has convened a roundtable with the Electricity System Operator (ESO) in late August to highlight these challenges and press ESO to be more ambitious in its plans for the Cumbria grid.
- Regional Energy Strategic Planning
  - Through the NWNZ Hub, we are convening distribution network operators with local and combined authorities to formulate a North West response to the Ofgem RESP consultation.
  - Regional Energy Strategic Planning (RESP) is a new process devised by the Electricity System Operator (ESO) for producing whole system energy strategic plans covering the electricity, gas and future hydrogen networks.
  - Local areas will be involved in RESP governance through strategic RESP boards consisting of upper tier and combined authorities, and energy distribution operators. Local areas will also input data to the ESO to support RESP development.
  - The North West will be one of 11 RESP regions in GB.
- Grid position paper
  - Following recent engagement with Electricity North West and National Grid, Enterprising Cumbria is preparing a position paper assessing both organisations most recent development and investment plans for the electricity grid in Cumbria.

- This will give us a clearer picture of the investment plans for the grid in the county and inform future conversations with the electricity system operator as part of the upcoming Regional Energy Strategic Planning process, as set out above.
- Local area energy planning
  - Officers from both authorities met with the NWNZ Hub and Electricity North West to discuss opportunities for local area energy planning (LAEP) in Cumbria.
  - LAEP's help an area to align future energy needs with investments in the electricity grid and other energy infrastructure. LAEP's are becoming increasingly strategically important as areas consider how they reach net zero targets and deliver housing retrofit and EV charger rollout.
  - Enterprising Cumbria is beginning to scope what LAEP could look like for Cumbria, starting with knowledge sharing sessions with other North West areas that have gone through the LAEP process.
- Industrial update
  - Workington industrial development (former Eastman site)
    - Facilitating discussions with the new owner of the former Eastmans site north of Workington and prospective tenants, such as Carbon Neutral Fuels who are developing a £530m SAF plant for the UK. Synergies have been identified with Holmen Iggesund's biogenic CO2 output, which would be utilised in SAF production.
  - Energy Intensive Industry Peer Network
    - The Cumbria EII Peer Network convenes large energy users, academics and local government to discuss industrial decarbonisation. Most recently, it has met at Holmen in Workington to discuss the DESNZ Industrial Energy Transformation Fund, which several members have applied for. We have facilitated support from the Henry Royce Institute to prospective applicants.
- Clean energy generation
  - Offshore wind: Enterprising Cumbria is a member of the Offshore Energy Alliance (OEA) – which covers north Wales and the North West. The OEA is working with EC, ABP and Orsted to host a supplier showcase day at the Port of Barrow in October.
  - Nuclear: Issues related to new nuclear have remained with Ian Wheeler, CLEP Head of Sectors, and the CLEP team since transfer of functions, including the Holtec SMR bid. The new Sellafield secondee will take over on nuclear policy once in post.
- Borderlands Energy Investment Programme

- Following delays earlier in the year, and during the pre-election period, expressions of interest for the energy investment programme are planned to open later this year, subject to final government approval of the business case.
  - The Energy Investment Programme will provide capital support for clean energy projects. The final terms of the programme have not been published.
- Community Energy Fund (CEF)
    - CEF is a DESNZ funded scheme administered by the NWNZ Hub. It provides grant funding to community groups for feasibility studies and project planning. Enterprising Cumbria provides support to identify and appraise applications. Only one project from Cumbria – Project Collette community offshore windfarm – secured funding in the latest round of CEF.
    - Cumbria has an overrepresentation of community energy groups, so it is disappointing not to have had more applicants. Enterprising Cumbria will work with the Hub and partners at CAFS to explore how we can better promote the scheme and support groups to apply.

## **Relevant Risks and explain how risks can be mitigated –**

### **1. Novation of grant agreements from CLEP to Cumberland Council, and quarterly financial claim.**

**Risk** – Grant agreements for the funding of the net zero programme are yet to be novated from CLEP to Cumberland Council. This is preventing Enterprising Cumbria from submitting a quarterly claim to the North West Net Zero Hub on time. Enterprising Cumbria will be unable to claim grant funding until the agreements are novated.

**Mitigation** – The Net Zero Hub finance and legal teams are aware of the novation delay preventing us from making the quarterly claim. We have followed up with the Cumberland Council legal team regarding the novation and the impact on our financial claim and anticipate it will be resolved shortly.

### **2. Future of CLEP sector and strategy groups**

**Risk** – Scheduled meetings of the CLEP sector and strategy groups have now ended prior to CLEP sunsetting in September, without a decision on their future. Next steps will be for the new Economic Growth Board to determine. There is a risk that group members, who are keen to remain engaged with our work, will move on to other activities if a decision is not taken in good time on the future structure.

**Mitigation** – We have committed to regularly updating group members on the transfer to the new board. We will also consider convening the groups informally in the interim if there are programme or policy updates they wish to discuss.

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**Background papers:**

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

**Appendices attached to report:**

No relevant papers.