

# LUTON BOROUGH COUNCIL ENERGY STRATEGY

## Contents:

1. Introduction
2. Our vision
3. The Energy Strategy and how it will be delivered
4. Our areas of focus
5. Governance and review

## 1 - Introduction

Luton has an exciting future. The investments that we are planning give us an opportunity to grow prosperity across Luton and the surrounding area to improve the quality of life for the people who live and work in Luton.

At the same time, we are also currently facing some significant challenges. In common with many other towns in the UK, much of the housing stock is currently in poor condition and fuel poverty is a growing issue. Poor energy performance of housing also impacts on the health and wellbeing of our most vulnerable citizens.

Energy is a common denominator in determining the success of our expansion and overcoming many of the social issues that we face in the Borough. The cost of upgrading infrastructure to supply the power needed to support expansion projects can impact significantly on the viability of the scheme. This can make investing in our own energy supply options attractive. Delivering affordable warmth against future rises in energy costs depends on investing in improvements to homes and delivering lower cost energy to those that need it.

This is why we are developing an Energy Strategy to provide the long-term vision and direction we need. Our Energy Strategy will help to ensure that the work that we do in the coming decades maximises the benefits that can come from new ways to generate, supply and use energy. These benefits will be social and economic. By delivering more energy efficiency and investing in lower carbon energy generation we will also contribute to achieving national targets for delivering a lower carbon economy.

All areas of Council activity will help to achieve these benefits. We also expect to work closely with the private sector and other public bodies. As a result we will help to make Luton an example for others to follow, of the energy based benefits that can be achieved through good collaboration.

Personally speaking, I am delighted that the development of the Luton Energy Strategy is happening 'on my watch'. The Energy Strategy has been designed to provide clear direction for our work in the energy area to 2035. I encourage everyone to work together to make it a success, now and into the future.

Cllr Andy Malcolm

Portfolio Holder for Finance

## 2 - Our vision

We are going to take all steps possible to maximise the opportunities that are available from adopting a clear and coordinated approach to energy supply and use, to enable us to deliver social and economic benefits to everyone who lives and works in Luton. Our strategic goals are to use this Energy Strategy to focus actions on the alleviation of fuel poverty and the maximisation of incomes into the local economy. To achieve this we will demonstrate clear leadership and will make appropriate use of innovation in our approach. Our commitment is long term and will be sustained throughout the life of this Strategy. This is important as it will provide an important element of our support to meeting national goals to move to a low carbon economy.

## 3 - The Energy Strategy and how it will be delivered

### The Energy Strategy

This Energy Strategy sets out our strategic direction to 2035 and describes the benefits that we are hoping to achieve by taking new approaches to energy supply and use. The outcomes that will be delivered through implementation of the strategy will contribute to meeting our commitments to national targets as we move to a decarbonised economy.

### How we will deliver the Energy Strategy

To remain effective to 2035, it is important that the Energy Strategy continues to provide the strategic direction to be followed throughout this period. Linking the Energy Strategy to any specific targets or initiatives that are unlikely to remain valid into the future will undermine the value and the effectiveness of the Energy Strategy. At the same time, without clear targets it is impossible to monitor progress and thus the value the Energy Strategy is bringing.

To reconcile these opposing pressures a range of Action Plans support the Energy Strategy. The Action Plans are shorter term in nature and contain clear targets, timelines and details on budgets and who is responsible for delivery. Ownership of the Action Plans are spread across the Council and other organisations who are contributing to delivery of the Energy Strategy.

Section 5 describes how the Action Plans are monitored relative to achieving the strategic goals set out in this document. In this way the Action Plans provide the means by which all energy related activity activities across the Council and other stakeholders are coordinated to maximise beneficial outcomes.

## 4 - Our areas of focus

### Continuing to improve Energy Efficiency

The Council has already demonstrated the financial savings that can be made by investing in energy efficiency measures in our own estate. Continuing to deliver energy efficiency across the Councils' operations will be an objective of this Energy Strategy.

Through our leadership in this area we will also encourage others to invest in energy efficiency. This will include making use of alternative investment models such as energy performance contracting.

Wherever possible we will seek to facilitate and encourage others, including those in the private housing and the business sector, to make similar commitments to improving energy efficiency.

To improve the energy efficiency of new build developments and refurbishments, we will also provide planning policy and other guidance to improve building energy performance across the Borough

### Significantly reduce fuel poverty

Reducing fuel poverty is a major objective for the Council. Many of the causes of fuel poverty are around the poor energy performance of homes.

The Council will prioritise making the best possible use of any government initiatives and the support offered by other organisations to bring new investment into building energy efficiency. We will do this by actively tracking these opportunities as they arise, developing and implementing clear plans to exploit them to the best advantage of Luton.

We also realise that there are other issues associated with poor energy performance of homes, especially negative impacts on health (for example damp and condensation). We will therefore work with other bodies, including those in the health sector, to target funding to improve the energy performance of homes in order to improve health and wellbeing.

We will provide advice on energy efficiency in the households of the fuel poor, especially those in the private housing sector. This will include providing guidance on other associated problems such as reducing damp.

While Building Regulations ensure that new build homes will all have good energy performance, we recognise that the major problems in Luton are associated with older properties. As a result, we will seek opportunities to improve the energy performance of existing homes through planning contributions and revenue from new developments and new build properties.

We will benchmark our performance with alleviation of fuel poverty against our existing comparators with the aim of being leaders in this area.

### Development of a Council owned energy business

Energy generation and supply can create significant income streams. Developments in technology have made small scale (less than 1MW) generation commercially feasible and this is already happening across the council. At the same time, Local Authorities are well placed to become energy suppliers by facilitating the aggregation of demand to achieve lower tariffs. This can create opportunities to offer lower tariffs to aid those in fuel poverty; and as a supplier to move away from pre-payment meters.

This means that by becoming an energy supplier, the Council will be better placed to meet our major strategic objectives of alleviating fuel poverty and maximising income into the local economy.

As the opportunities open to the Council are many and varied, we will explore all of the available options to develop our own energy business.

### Supporting the delivery of social and economic benefits from community led generation activities

Across the country, successful community owned energy generation projects are becoming increasingly common. These are typically based on renewable energy technologies implemented at a scale that is commensurate with the amount of money that can be raised from the community and the capacity of community groups to manage and deliver an energy generation project. Projects are typically sub 1MW, but larger community schemes are also in operation.

While incomes from community generation can increase local wealth creation to the benefit of the local economy, in most instances successful community energy schemes require leadership in order to succeed. We recognise that as a Local Authority, we are ideally placed to provide this leadership.

A good model for this approach is the development of a relationship between those with large energy demands and the community, with the community owning the generation technology. As a result, the Council will support the creation of new community energy businesses by providing guidance and other support including facilitating the creation of links between energy users and those interested in developing community energy schemes.

## 5 - Governance and review

The Strategic Energy Manager is responsible for the Luton Energy Strategy

Oversight of the Energy Strategy delivery will be provided by the Portfolio holder and Corporate Energy Group (CEG). Progress will be reviewed through the monitoring of individual Action Plans by means of the monthly CEG meetings.

This will form the basis of an annual report which will be submitted to Executive.