BRIEFING PAPER

CUMBRIA LEPs CONTRIBUTION TO NET ZERO CARBON CLIMATE CHANGE

1. ISSUE

1.1 Updating Scrutiny Board members on the work that CLEP is doing to respond to the Net Zero Carbon Agenda

2. RECOMMENDATION

2.1 That the LEP Scrutiny Board note this report, which is provided as background briefing.

3. BACKGROUND

3.1 At the agenda setting meeting with the Chair of the LEP Scrutiny Board, there was a request that CLEP provided a background briefing paper on its role in supporting Cumbria's commitment to net zero carbon for members to consider outside of the meeting. This recognised the significant importance of this issue and members interest in it.

3.2 CLEP is approaching net zero carbon from two different perspectives - firstly Cumbria’s role in Clean Energy generation and secondly reducing carbon emissions from across the business base. These are complimentary and equally important work streams.

New Energy Generation

3.3 Cumbria has a significant role to play in new energy generation, reflecting its significant expertise and experience on the nuclear agenda coupled with its offshore wind generation capability. This is alongside its wider energy generation interests in wave power, tidal, battery and hydrogen.

3.4 Rolls Royce is currently leading the UK Small Modular Reactor (SMR) consortium and is in discussion with representatives from Wales and Cumbria through the North West Nuclear Arc (NWNA). This is an informal partnership that covers the North West and North Wales geography to bring together a more joined up offer to developing new nuclear opportunities in line with a clean energy and net zero carbon future. CLEP is closely involved in NWNA, as are other partners across the Arc geography.

3.5 The discussions with the Consortium have focussed on the development of the specific UKSMR design, with their plan being to develop an initial phase of ten 440MW units on sites including Wales and Cumbria, specifically Trawsfynydd, Wylfa and Sellafield/Moorside. These SMRs are Pressurised Water Reactors (PWR), an evolution of existing designs, with the initial phase being co-funded by Innovate UK and the UKSMR consortium to a total of £36m, with a second phase commencing in Spring 2021. This second phase is valued at £500m, subject to government approval of the relevant business cases.
3.6 Alongside work on the UK SMR consortium, BEIS is also currently running a competition for Advanced Modular Reactors (AMRs) consisting of 8 consortiums each proposing new technologies for the future development of these. This competition will eventually result in 4 candidates being selected to move to the next stage in the development process. The applicants include a Cumbrian-led consortium. The Government is also in the process of developing an Energy White Paper, which should provide a clear sense in the role of nuclear in future generation and its contribution to the clean energy agenda.

3.7 At this point in time, Cumbria is home to the world’s largest operational offshore wind farm in Barrow, which is owned by Orsted. Government is currently going through the process of licensing new sites which extend the available geography up the West Coast taking in the coast off Copeland and Allerdale. This could result in further new offshore wind developments in Cumbria, which could add significantly to Cumbria’s generation capability.

3.8 These two significant potential generation opportunities mean that Cumbria is very well placed to play a significant role in the future of clean energy, which would provide a marked contribution to Cumbria’s net zero credentials, assuming that contribution was credited to the point of generation.

**Reducing our Carbon Footprint**

3.9 CLEP is exploring with our businesses how current carbon footprints can be reduced. These discussions are predominantly taking place through the Business Strategy Group, which brings together all business intermediary bodies and each of the Sector Panels. In developing the final work programme CLEP is looking to see how net zero can be inbuilt into the programme as a ‘touchstone’ alongside productivity and inclusive growth.

3.10 At CLEP’s most recent Board meeting there was a presentation by Iggesund, during which senior leaders from the organisation shared their journey to net zero carbon and how their investment in their CHP Plant had helped achieve this. This sharing of best practice has led to other major energy users looking to learn from the Iggesund experience with site visits being arranged. More generally, the lessons learned are being writing up and will be shared more widely through the business base.

3.11 On the transport agenda, CLEP is working with Cumbria County Council in order to ensure that the updated Cumbria Transport and Infrastructure Plan has a serious focus on carbon reduction. This will consider issues such as the future of mobility, electric vehicle charging, increased access and usage of public transport and walking and cycling. The preparation of this document is being accelerated to ensure that implementation can start as soon as possible.

3.12 In terms of CLEPs investment process, the Investment Panel has agreed that additional consideration needs to be given to net zero carbon in any investments that it makes, beyond its existing commitments. This will therefore take effect for whatever programmes are introduced to replace the current Growth Deal monies, which are fully committed and will need to be financially completed by 31 March
2021. In order to take this forward, CLEP is keen to see what emerges from government, in terms of any revised guidance for HM Treasury compliant business cases, as it is important that any local changes to criteria sit within the national framework. CLEP is also exploring environmental appraisal training for the team to ensure that any additional requirements, beyond the current sustainability assessment, can be fairly and appropriately applied.

3.13 CLEP is a member of the Cumbria Leadership Board's Net Zero Carbon Group and has committed resource to help deliver its work programme. CLEP is also committed to support the implementation of the action plan that is being developed through its work programmes.

3.14 Finally and importantly, CLEP has made net zero carbon a standing agenda item on every Board meeting. This is to ensure that progress is being made in delivering on our commitments.