

The Sustainable Communities Act proposal form

Using this form

This form should be used to submit proposals under the Sustainable Communities Act to the LGA for short listing. Please complete all sections and then email a copy to selector@lga.gov.uk. These must be received by **July 31st 2009**, and you will receive confirmation that the form has been received.

Once submitted, information within this form may be made publicly available, unless you request for it to be kept private. We will treat information submitted sensitively. If you wish to attach any relevant presentations or graphs etc. please attach them separately in the email.

For questions regarding the act or the role of the Selector, please see our [FAQs](#). Any further questions can be directed to selector@lga.gov.uk.

Section 1: Proposal Summary

Proposing Authority

Under the terms of the Sustainable Communities Act, all proposals must be submitted by a local authority, or group of authorities, in England. Any group, organisation or individual may originate or develop a proposal. However all proposals will require Local Authority endorsement and submission to the Selector.

Parish councils and other organisations and agencies must seek support and formal endorsement from a proposing local authority (defined in the Act as county councils, district councils (including metropolitan, non metropolitan and unitary authorities), the common council of the city of London or the Council of the Isles of Scilly).

1.1 Lead Authority name

South Hams District Council

1.2 Is this proposal submitted by this authority alone, or is it a joint proposal with other local authorities? (If joint please list authorities)

1.3 Who is the lead contact (s) in the authority for this proposal? Please provide email address and telephone number - *The LGA will direct any enquiries to this contact.*

Laura Payne, Policy Implementation Officer
laura.payne@southhams.gov.uk 01803 861325

Supporting Organisations

Whilst proposals may only be submitted by a local authority, we acknowledge that local partners and outside organisations may wish to register support for the proposal. This is entirely voluntary.

1.4 Please provide details below of supporting organisations to your proposal. Please explain if the organisation is a charity, company, unincorporated association or other body. If a charity or company please provide registration numbers. If a local partnership please explain the relationship to the Local Strategic Partnership for the area.

This proposal was put forward by a SHDC Councillor at our Sustainable Communities Act event to raise proposals. Support for this proposal has been given by DARE (Devon Association of Renewable Energy). DARE is a not-for-profit membership organisation, managed by elected Directors and is a member of the South Hams Strategic Partnership's Community Partnership Forum. The Forum meets twice a year to give feedback to the LSP.

Summary of your proposal

Please summarise your proposal. You may wish to include:

- The main elements of your proposal
- What issues your proposal is addressing and how it will promote the sustainability of the local community
- Who is affected by this proposal and how?
- Which public bodies might be affected?
- What are the main actions needed from Government?
- What do you expect this proposal to achieve?

1.5 Please enter your summary below (*word limit 1000 words*)

Main elements: This proposal is about the Government making policy changes and funds available to enable individual householders, communities and businesses to be more self sufficient in generating their own sources of sustainable energy, through decentralised production of renewable energy and local distribution networks.

The UK currently has a very centralised mode of delivery of electricity and heating. The vast majority of electricity is generated in large fossil fuel power stations and transmitted through high voltage transmission pylons close to the location of demand so that supply and demand are spatially separate. This is inefficient and results in most of the energy being lost in the cables that move the electricity around the transformers.

Local production and distribution of energy is a fundamentally different approach. Large power stations are usually sited well away from the point of delivery and are all but invisible to local communities. However when locally produced renewable energy is generated and supplied at or near the point of demand, it is highly visible to the local population. This visibility creates a connection between production and consumption at a local community level, and this has the potential to drive down emissions and energy bills radically. In other words, when people can see

where their energy is coming from and have 'ownership' of it, they are more likely to pursue significant reductions in energy demand, especially where energy is devolved down to householder or community level and energy consumers become their own producers.

Maximum environmental benefits can be gained from localised sustainable production of energy where the power sources are of the right size and scale to meet local needs and transmission and distribution losses are minimised. At individual householder level a range of micro renewables are available such as solar thermal, PV, geothermal, biomass and small scale wind. At neighbourhood or town level CHP offers community heating and cooling and the potential for utilising power and heating networks in new developments is significant. This needs to be considered in Local Authority energy plans. Technologies suited to integration into the planning of new developments include biomass, wind, hydro, solar and geothermal.

Community owned ESCOs (Energy Service Companies)¹ are one of the most useful mechanisms for delivering one-off and long-term projects at small and community scales. An ESCO is a community owned and managed co-operative initiating local renewable installations, funded by the community (town and hinterland) buy-in through shares in the co-operative. They enable profits to be recycled to install more energy generation capacity or energy efficiency measures and are particularly suited to delivering heat and power networks and supplying cheaper energy too, as energy is supplied direct to the customer avoiding distribution and other costs.

Issues addressed: The domestic sector accounts for 27% of UK's CO₂ emissions (DTI, 2002)² and is critical to tackling climate change. It is essential to reduce emissions from both new and existing homes. This proposal will tackle carbon emissions from the domestic sector as well as fuel poverty, community well-being and promote the renewable energy industry. This proposal will provide the means for local community groups and individuals to produce and distribute their own energy through renewable sources. The result of this will be a lowering in the energy used, due to a greater awareness of its production; lower energy bills, partly due to lower energy used but also due to decentralisation of the production system resulting in a more efficient system; greater community well being due to individuals and groups being responsible for the production and distribution of local energy; and a boost for the growing renewables industry, creating employment opportunities for skilled workers in local areas.

The Devon Association for Renewable Energy (DARE) believes that the true potential of this proposal lies in the potential for Local Authorities to take the lead in bringing current ad-hoc renewable energy projects together. A representative has stated : *"As well as ourselves, Transition Towns and all the Climate Action Groups, along with Energy Action Devon (EST funded), RE4D, LARC Programmes, Regensw etc are all working at community level and although there is communication between them, there is no actual co-ordination and no association with the LA. Moreover none of these organisations have the resources to undertake the co-ordination, and they all need to protect their own activities and very survival."*

By implementing this proposal, renewable energy and energy efficiency projects across England can be brought together at a local level to promote local community level production, producing a more effective and efficient system.

Who is affected: This proposal can affect all homeowners or communities within England. It will enable individuals or community groups to take ownership of energy production, and distribute the energy on the national grid, in competition with larger companies.

Actions from Government: To make this proposal financially viable feed in tariffs need to be introduced similar to the German system (introduced in 1999). These enable anyone generating electricity from solar PV, wind or hydro to get a guaranteed payment above the current market value for electricity, spreading the cost by generating 'community' companies among all users. Although powers enabling the UK Government to introduce feed in tariffs for projects below 5MW

were included in the recent Energy Bill, the precise details of the scheme are yet to be decided and will need secondary legislation to enact. National funding needs to be made available, perhaps through a grant system, for setting up ESCOs either community owned and managed or in partnership with Local Authorities who could provide some financial security. To encourage communities and individuals to produce and distribute energy the Government needs to recognise and support local heat distribution networks and local renewable production, located near to the source of generation.

Benefits:

- Create more sustainable communities though security of energy supply
- Meet the challenge of Peak oil and dwindling fossil fuel supplies
- Help to adapt to and mitigate the impacts of climate change
- Create a low carbon economy and future through local production of Renewable Energy
- Promote community ownership and buy-in to a sustainable future
- Minimise the amount of energy lost via distribution leading to greater energy efficiency and lower emissions

¹ Woking Borough Council, Energy Services Company, 2007. http://www.regensw.co.uk/downloads/RegenSW_99.pdf

²DTI, 2002 *Energy Consumption in the UK*, Department of Trade and Industry, The Stationary Office, London, UK.

Section 2: About your proposal

The form asks a set of questions to gather as much information as possible to allow for assessment and short-listing by the Selector. A word-limit is stated for each part of the form.

We appreciate that SCA proposals will vary in range and scope, and some questions will be more relevant than others for any one proposal. Please do not feel that answers are required for every questions or that the full word limit need be used in respect of each and every question box. If you are submitting a joint proposal, please include evidence for all areas.

Impact on sustainability *(word limit 2000 words)*

2.1 Please explain how your proposal promotes sustainability as defined locally (for example in your Sustainable Communities Strategy or LAA)

The proposal promotes LAA1 'Reducing the quantities of municipal waste arising and land filled' though energy from waste schemes and anaerobic digestion using organic waste. LAA 3 'Improving the energy performance of the housing stock and reducing fuel poverty. LAA4 'Improving business productivity of the renewable energy sector in Devon LAA 5 'Reducing carbon emissions. LAA 16 'Promoting active, empowered and influential communities. LAA 17 'Developing and harnessing the skills to achieve a competitive economy.

2.2 Over which geographic area will your proposal impact? (e.g. neighbourhood, town, city, sub-region)?

The proposal is aimed at the individual householder, neighbourhood or town level, wherever energy is supplied close to the point of demand.

2.3 Who would benefit from your proposal?

Those living within the area that a local energy supply is secured including individuals, communities and businesses.

2.4 What steps will you take to mitigate any adverse affects on sustainability from your proposal (if relevant)

This proposal should not have any adverse affects on sustainability; in fact it will benefit and reinforce the sustainability of any community.

2.5 What project, activities and changes would take place in your area if your proposal was successful?

- Increased take up by householders of micro renewables and at a neighbourhood/district level Combined Heat and Power (CHP) and district heating networks.
- Setting up an ESCO possibly in partnership with the LA and or other community/private partners.
- The generation of new jobs in Renewable Energy a key growth area where there will be a need for designers, installers and maintenance technicians which will all contribute to the development of a much more sustainable low carbon local economy.

2.6 Does your proposal involve transfers of responsibilities between public bodies in the area? If so what are these? What budgetary implications might be involved?

It would require involvement by LA's and other public/private sector agencies to.

1. Develop a local energy strategy which identifies local energy demand and need
2. A technical and economic assessment of future energy needs for small market towns
3. More LA and other agency involvement and support for ESCOs and more partnership working at a local level

Local authorities are required to 'have regard' to a set of specific issues when deciding whether to support SCA proposals. These are matters listed in Schedule 1 of the Act, as passed by Parliament¹. It is worth noting that the issues listed in the Act are not supposed to be exhaustive and that ideas can cover anything that promotes the sustainability of the local area.

Many of these matters may not be relevant to any one proposal. If you are submitting a joint proposal please include evidence for all areas.

2.7 Please identify which, if any, of the issues authorities are required to have regard to, are relevant to this proposal and include any data and information which you feel would be helpful in the assessment process.

a) *the provision of local services

This proposal would introduce a new local service, that of energy provision.

¹ The Sustainable Communities Act is available here : http://www.opsi.gov.uk/acts/acts2007/ukpga_20070023_en_1

- b) the extent to which the volume and value of goods and services that are- i) offered for sale, ii) procured by public bodies, and are produced within 30 miles (or any lesser distance as may be specified by a local authority in respect of its area) of their place of sale of the boundary of the public body.
- c) the rate of increase in the growth and marketing of organic forms of food production and the local economy
- d) measures to promote reasonable access by all local people to a supply of food is adequate in terms of both amount and nutritional value
- e) *the number of local jobs

This proposal will result in the need for more renewable energy installers, designers and developers. The increase in demand resulting from the initiatives of this proposal will create a new sustainable industry in local small-scale renewables provision.

- f) *measures to conserve energy and increase the quantity of energy supplies which are produced from sustainable sources within a 30 mile radius of the region in which they are consumed

This proposal directly relates to this principle of a sustainable community. It will result in energy conservation and increase the amount of energy produced from renewable sources and distributed locally.

- g) measure taken to reduce the level of road traffic including, but not restricted to, local public transport provision, measures to promote walking and cycling and measures to decrease the amount of product miles
- h) the increase in social inclusion, including an increase in involvement in local democracy
- i) *measures to increase mutual aid and other community projects

The Community owned ESCOs resulting from this proposal will build community spirit, energy security and reduce energy consumption in the homes involved.

- j) *measures designed to decrease emissions of greenhouse gases

This proposal will create community and individual 'ownership' of energy production and supply. By making energy production more visible and local, individuals will be more aware of the energy they are using within their homes, and this in turn will result in a reduction of energy use. The installations promoted will be those of a renewable source, therefore this will also result in a reduction of carbon emissions, as more and more communities switch to a localised renewable supply. By moving the source closer to demand, inefficiencies in the 'transport' of energy are removed, creating a more efficient system.

- k) *measures designed to increase community health and wellbeing

The community ESCOs will promote community wellbeing as they will have the community working together to produce and supply energy and cut emissions.

- l) planning policies which would assist with the purposes of this Act, including new arrangements for the provision of affordable housing
- m) *measures to increase the use of local waste materials for the benefit of the community

A source of renewable energy provision little utilised as yet, but that could be explored by an ESCO is Anaerobic Digesters that can provide a solution to local waste disposal and heat generation.

Existing Barriers

(Please do not write more than 1000 words for 2.8 and 2.9)

2.8 What are the existing barriers to implementing your proposal?

- The capital costs of micro generation technologies and a lack of feed in tariffs is the real barrier to take up from home-owners, communities and businesses. Without a real step change in support through capital grants, other financial incentives and the introduction of feed -in tariffs, significant barriers remain in terms of encouraging take up of these technologies.
- Research has shown that if high start up costs can be managed, a network will grow adding customers and becoming economic over time.³
- Financial incentives for local energy generation and distribution would encourage the take up of these technologies eventually creating a mass market that would enable distributed generation to seriously contribute to the 2020 EU target of 20% renewable energy provision.⁴
- There are also issues around cost and long payback times, connection agreements, physical connection and metering. - The licensing regime could also be said to disadvantage smaller projects.
- Another barrier is the lack of an appropriately qualified skills base, which is crucial to reaping the potential benefits of decentralised generation. The potential for developing the skills and knowledge base to address these issues should be a concern for government.

³ DTI, 2006. A Call for Evidence for the Review of Barriers and Incentives to Distributed Electricity Generation, Including Combined Heat and Power. <http://www.berr.gov.uk/files/file35026.pdf>

⁴ HOUSE OF LORDS, European Union Committee, 27th Report of Session 2007–08. The EU's Target for Renewable Energy: 20% by 2020. Volume I: Report.

<http://www.publications.parliament.uk/pa/ld200708/ldselect/ldeucom/175/175.pdf>

2.9 What actions are needed by Government to make your proposal possible?

1. Feed-in tariffs need to be introduced similar to the German system (introduced in 1999)⁵ where anyone generating electricity from solar PV, wind or hydro gets a guaranteed payment above the current market value for electricity and the cost is spread by generating companies among all users. Although powers enabling the UK Government to introduce feed in tariffs for projects below 5MW were included in the recent Energy Bill, the precise details of the scheme are yet to be decided and will need secondary legislation to enact.
2. Funding needs to be made available for setting up ESCOs either community owned and managed or in partnership with Local Authorities who can provide some financial security.
3. Government needs to support local heat distribution networks located near to the source of generation and recognise that these networks are more efficient, save on heat losses and on costs.

Other potential work that would benefit the proposal:

4. Government needs to conduct national research on the export of biogas to the gas grid and looking at the possibilities inherent in Anaerobic Digestion to provide a solution to local waste disposal and heat generation, perhaps through feed in tariffs as at the moment the cost of putting in a small scale Digester plant is not economic.
5. There needs to be more financial investment in public awareness and engagement in Renewable Energy, Climate Change and Peak Oil.

⁵ Guardian, 2007. Germany sets shining example in providing a harvest for the world.
<http://www.guardian.co.uk/business/2007/jul/23/germany.greenbusiness>

Part 3: Local Authority Endorsement

This section should be completed by the proposing local authority. (Under the terms of the act this means a county council in England, a district council (including metropolitan, non metropolitan and unitary authorities), a London borough council, the Common Council of the City of London or the Council of the isles of Scilly)

3.1 Have consultation requirements been met? (500 words max)

Please confirm that your authority has met the statutory requirements for consultation on this proposal, via one or more panels of local representatives and persons from under-represented groups constituted in accordance with the Act and statutory guidance as set out in [*Strong Safe and Prosperous Communities*](#).

You may wish to describe who has been involved in discussions and development of the proposal (*e.g. council, local community organisations and residents groups, parish or town councils, local partnership bodies, local or national organisations, political parties, church and faith organisations, local businesses or chambers of commerce and others*).

If you have not done so already please give brief details of relevant panel meetings.

Please note if you are submitting a joint application please provide details of consultation and local support across all areas.

South Hams District Council developed the scope of our implementation plan by taking into account the requirements of the Act, as well as the viability of successful implementation through limited time and resources.

Our proposals were raised at a special Sustainable Communities Act event for the Community Partnership Forum (CPF) and all South Hams District Council Members on 23rd February 2009. The CPF exists under the South Hams Strategic Partnership (SHSP) and consists of close to 200 organisations including voluntary, community, church and faith, statutory organisations and charities, as well as all of our local town and parish councils. Members of the SHSP and other interested local district councils and Devon County Council were also invited to attend. Members of the CPF include organisations that represent under-represented groups within the district such as BME and youth groups. Both these groups were able to attend the event.

At the event, close to 200 proposals were raised and discussed and a shortlist was created by attendees voting on the proposals they would like to see taken forward. The shortlist of eleven proposals was formulated into a survey for our Community Sounding Board. Our Sounding Board is a panel of close to 1,000 local residents that are demographically and geographically representative of our whole community; this Panel also included under represented groups. We felt it was necessary for our wider community to rank the shortlist in order of importance to the local community as, at the time of planning, we were uncertain of the time available and resources required to write proposals up for submission due to the unknown publication date and style of the LGA Submission Form. We felt that, as there was a risk not all of our proposals would be written-up in time, we had to focus our resources on those of most importance to our community.

We believe that by involving more than one 'panel' both containing under represented groups / individuals and agreeing our proposals with a large number of our community, South Hams District Council has met the requirements of the Act.

3.2 What are the views from this consultation? You may wish to provide evidence of local support for your proposal? This might include petitions or letters of support from the public, local councillors, Members of Parliament, businesses, public bodies and agencies? Please describe this evidence below. *(The local authority submitting the proposal is likely to wish to review such material and to summarise its content. Onward submission to the Selector of all original documentation will not normally be required).*

This proposal was put forward by one of our Members at the CPF event held to raise proposals. This proposal received 18 votes from the CPF event, and was placed 8th out of the 11 proposals short listed that received 10 or more votes. The Community Sounding Board also voted this proposal as their 8th priority out of the eleven short listed.

Proposals may include a change/transfer of functions from one person to another. If this is relevant to your proposal please confirm that the duties under clause 2, subsection 3 of the act (consulting with organisations affected by a change in location of a function) have been carried out.

3.3 Please give brief details of consultation with any affected organisations

N/A

3.4 Confirmation of council support

The process for formal endorsement is a matter for local discretion; however we anticipate that authorities will wish to gain political endorsement and clearance for the proposal through the relevant processes at local level. Please give details of how formal approval has been attained.

A report detailing all eleven proposals short-listed from our CPF event and ranked by our Sounding Board was taken to the South Hams District Council Executive Committee on 16th July 2009. The Executive resolved to endorse / approve this proposal for submission to the LGA for consideration for implementation under the Sustainable Communities Act.

3.5 General comments

This is an opportunity for the local authority to express any additional comments or views on the proposal: This may include: *(1500 words max)*

- the council's view of levels of local support for the proposal
- any local opposition or objections that the Selector should be aware of
- relevance of the proposal to the area's Sustainable Community Strategy and Local Area Agreement
- outcome of any local authority discussions with agencies or public bodies affected
- potential regional/national significance of the proposal, if replicated elsewhere
- any major resource implications for the council or its local partners
- any other factors influencing viability and believability of the proposal

Part 4: Assessment by the Selector

SCA proposals will be assessed by the LGA as Selector. This will include consideration, short listing and negotiation with the Secretary of State via the LGA Selector panel made up of councillors from the four parties represented on the LGA

The LGA Selector Panel is committed to undertaking the role in a transparent manner; as such reasons for decisions on proposals will be made available.

There will be no appeals process in relation to decisions of the Selector Panel.

4.1 Do you confirm your agreement to abide by the outcome of the Selector's assessment and decision-making processes?

Yes, South Hams District Council confirms to abide by the outcome of the Selector's assessment and decision-making processes.

4.2 Would your council, accompanied by the originators of the proposal, wish to make a short verbal presentation to the Selector Panel, should this opportunity be available?

Yes

Thank you for completing this form.

Please email it to selector@lga.gov.uk by 31 July 2009.