



# LOCAL SUSTAINABLE ENERGY TASKFORCE

WARWICK  
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It is clear that action at the local level is a key dimension of delivering the rapid, required transition towards sustainable,<sup>1</sup> smart and flexible energy. Now is the time to act: the UK energy system is becoming more distributed, many local and combined authorities are showing clear leadership, and their actions contribute towards local and national goals. Importantly, local sustainable energy programmes also help to deliver *co-benefits* such as clean growth, public income and cost savings, inward investment, jobs, and improvements in welfare and health, e.g. through improved air quality.<sup>2</sup>

However, recent research indicates that *much more needs to be done* to improve the capacity of local authorities to deliver sustainable energy systems, particularly given the impacts of austerity and the absence of statutory duties.<sup>3</sup> Improved co-ordination and access to information could release unfulfilled local potential, create new routes for those yet to join the clean growth movement, and improve

Government knowledge about changing energy systems.

## POLICY RECOMMENDATIONS:

- 1. Taskforce:** the Department for Business, Energy & Industrial Strategy (BEIS) should establish a Local Sustainable Energy Taskforce to systematically analyse the key governance issues associated with accelerating the deployment of local energy systems and make recommendations to Government.
- 2. Coordination:** energy systems and governance are re-scaling downwards and Government needs to be in a position to co-ordinate, and to better communicate with local actors.
- 3. Information:** access to more sustainable energy information, i.e. funding opportunities, new business models, policies and regulations, is needed to ensure local authorities can scale up development of cost-effective initiatives, whilst lowering barriers to entry for new actors.



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## Making the case for change

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According to the International Panel on Climate Change there are now just *12 years* left to avert the most extreme consequences of climate change. Whilst advancements have been made in the UK, progress on energy efficiency, low carbon heat and decarbonising transport is *not on track* and we are at risk of missing carbon budgets.<sup>4</sup>

The UK Minister for Energy agrees that the future of energy *'is local'*.<sup>5</sup> The amount of generation connected at the distribution level already makes up *30% of total GB installed capacity*.<sup>6</sup> At the same time some local authorities are showing clear leadership, for examples see recent declarations of *'climate emergencies'*, ambitious carbon neutrality targets, and *clean energy pledges*.<sup>7</sup> Energy staff in local and combined authorities up and down the UK are working incredibly hard, often against the odds given budget cuts, to deliver sustainable energy strategies, investment programmes, and to build capacity and expertise.

Local authorities have competences, in planning, housing, waste, environment,

transport, economic development and regeneration, that enable them to drive forward, plan and coordinate sustainable energy systems. The scale at which they operate affords them greater visibility of what local businesses and citizens require in terms of energy access, where generation is sited in relation to demand, building retrofit requirements, and they can also better protect vulnerable energy users.<sup>8</sup> Furthermore, important learning, *that is central to innovation and sustainable change*, is taking place in some UK localities. New sustainable energy business models are being designed and put into practice,<sup>9</sup> whilst much new learning about valuable *co-benefits* is also happening at the local scale.<sup>10</sup>

What some are already achieving is impressive, especially in the absence of statutory duties in energy or climate change mitigation (in England and Wales). But much more needs to be done. Greater co-ordination and access to sustainable energy information is vital to enabling existing programmes to scale up as well as new local authorities to join the sustainable energy movement.

# 1 Policy Recommendation: Local Sustainable Energy Taskforce

BEIS should establish a Local Sustainable Energy Taskforce together with local and combined authorities, Ofgem, and the academic community. The overall objectives of the Taskforce should include:

- ▶ Systematically reviewing the role of sub-national tiers of government in delivering the energy transition, specifically in relation to the rescaling of energy systems. This body of work could be undertaken with the BEIS local energy team, BEIS, Local Energy Hubs, the Future Cities & Transport Catapult, and the Energy Systems Catapult;
- ▶ Developing a set of recommendations about how best to support local and combined authorities to ensure that they contribute to rapid and cost-effective decarbonisation whilst maximising *local social and economic benefits*;

- ▶ Focusing on questions of how to improve access to relevant information and co-ordination between sub-national sustainable energy actors, including distribution network operators (DNOs), as well as between local and national Government.

The Taskforce should develop and deliver rapid, targeted recommendations through engagement with industry, tiers of government and civil society. In the Clean Growth Plan the Government committed to developing a Local Energy Contact Group, and the Local Sustainable Energy Taskforce could fulfil this commitment. Although its remit is different it could draw on the experiences of, and work with, other energy Taskforces, such as the Energy Data Taskforce and the Electric Vehicle Energy Taskforce.



## 2 Policy Recommendation: Improve Co-ordination

Although not specifically set up to provide a co-ordinating function, the five BEIS Local Energy Hubs, funded in 2017 and established in 2018, can already be seen as providing potential for greater, *two-way* coordination. They are a much-needed link between BEIS, local authorities and local enterprise partnerships (LEPs), and it appears that there is some room for important feedback from hub members to BEIS about local sustainable projects, opportunities and constraints.

However, the short-term nature of the Hubs, which are only funded for two years, combined with the large number of authorities in each Hub area means that they are too limited both in temporal and capacity terms. For example, the Greater South East Energy Hub has a team of only seven covering 149 local authorities.<sup>11</sup> At the same time, Hub boundaries can cause complications for local and regional actors by not fitting with established combined authority, LEP and network operator areas.<sup>12</sup>

Although many local authorities pursue sustainable energy strategies in order to fulfil *local* social, economic and political needs, they also require clarity on their systematic contribution to national energy and climate delivery. All tiers of government need to develop a cohesive, working consensus about the roles and formal responsibilities of local government in energy systems development, as well as what additional resources are required. This should also include a systematic review of the role, scope and geographical coverage of the five Local Energy Hubs.

### Why greater co-ordination is required:

- ▶ Government needs to be aware of the many sustainable energy activities and learning taking place at the local level and their implications for national policy. There may be a need for greater local and/or regional co-ordination of energy systems.<sup>13</sup>
- ▶ Local Energy Plans being developed across the Hub network need to be evaluated to identify how they can best contribute to UK energy policy goals, to ensure coherence across plans, and identify implications for other actors within the energy system, including DNOs.
- ▶ Evidence from European practice shows that *coordination between local and national governments* is critical to the efficient operation of more distributed energy systems.<sup>14</sup> As are: specific local powers, resources and procedures for energy planning, supportive regulation, and access to low cost, long term finance.
- ▶ Agencies that provide elements of coordination, i.e. the *UK Government Heat Networks Delivery Unit, Scottish Heat Network Partnership*, and procurement frameworks *managers* for Energy Performance Contracting, warrant reviewing to identify opportunities for more holistic and cohesive support.
- ▶ Local-local coordination can enable local authorities to achieve scale for district energy infrastructure and area-based, energy efficient retrofit of buildings. Specialist support could collectively assist local authorities with procurement, should help reduce costs and delays, and ensure best value to the local economy.

### 3 Policy Recommendation: Information & Data Centre

Availability of and access to information about sustainable energy needs significant improvement, particularly given the high degree of ongoing technical, business model, funding, regulatory and policy change. Falls in technology costs, the development of standardised business models, the roll-out of smart meters, and the increasing viability of storage and electric vehicles all present huge opportunities for local authorities, and other smaller-scale local actors. In short, a lot more is now possible than even five years ago but there is currently no openly accessible, comprehensive centre for collecting information and making it accessible.

BEIS have recognised the importance of local sustainable energy information and have set up a web-based platform, the 'Local Energy Huddle', which acts as a discussion forum with access to some resources for local authorities and LEPs.<sup>15</sup> However, feedback from local authorities suggests that the 'Local Energy Huddle' is difficult to access, not yet well known, and too limited in the information it provides. Greater commitment to an accessible, permanent resource is needed – as well as a comprehensive data gathering exercise. Much of the relevant information is already available but needs collecting, collating, and organising – work which could be done together with Ofgem, the Energy System Catapult, and *Energy Data Taskforce*.<sup>16</sup> The new centre needs to include information about: energy policies and regulations, energy efficiency, funding opportunities, sustainable business models, as well as about technical innovations in certain sectors.

#### **Why access to sustainable energy information is needed:**

- ▶ Signposting of clean energy innovation funds. This would provide the dual benefit of informing local authorities of potential funding and facilitating the matching of industry innovators with local actors. This builds on the Clean Growth Strategy's commitment to making clean energy innovation funds accessible to local authorities and LEPs.
- ▶ Access to new business models and standardised contracts can guide local energy planning and investment propositions, including in areas such as renewables and energy efficiency. It can also enable less experienced local authorities to take their first steps by lowering barriers to entry.
- ▶ Access to standardised socio-economic metrics enables local authorities and LEPs to quantify benefits arising from investment in local energy projects for inclusion in the business case. This would add to project development capacities and lower costs of entry.
- ▶ Where local authorities contract technical and commercial consultancy, clear pathways for access to information and data are needed to facilitate transferrable knowledge, in-house replication, and sharing among the local authority sector.
- ▶ Sharing learning and experience about best practice through public sector networks provides insight into alternative business structures and helps to resolve common project management problems. The UK *District Energy Vanguard Network* is one example which aims to facilitate and co-ordinate the exchange of new knowledge.<sup>17</sup>

## References and notes

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- 1 Our definition of 'sustainable energy' is broad and includes clean, efficient, flexible, smart, affordable and accessible energy.
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- 3 Webb, J.; Tingey, M.; Hawkey, D. (2017) *What We Know about Local Authority Engagement in UK Energy Systems: Ambitions, Activities, Business Structures & Ways Forward*. London and Loughborough: UKERC and ETI.; Kuzemko, C. (2019) 'Re-scaling IPE: Local Government, Sustainable Energy & Change', *Review of International Political Economy* 26:1, 80-104; Britton, J. (2018) 'The changing role of cities and local energy - does energy system governance need to catch up?', an *IGov New Thinking Blog*, 26<sup>th</sup> November 2018.
- 4 Committee on Climate Change (2018) *Reducing UK emissions: 2018 Progress Report to Parliament*.
- 5 Perry, C. (2019) Ministerial Keynote at the Investing in Local Energy Conference. 31 January, Brodrick Hall, Leeds; Birstow, J. (2019) 'Claire Perry: "From power stations to solar panels, the future is local"', *Energy Live News*, Tuesday 8<sup>th</sup> January;
- 6 Office for National Statistics (ONS) (2018) *Digest of UK Energy Statistics (DUKES): Electricity*. London: ONS.
- 7 Please see websites: 'Declare a Climate Emergency': <https://climateemergency.uk/>; and UK100: <https://www.uk100.org>.
- 8 Lloyd, H. ed., (2018) *A distributed energy future for the UK: An essay collection*. London: IPPR. <http://www.ippr.org/research/publications/a-distributed-energy-future>; Britton, J. (2017) Smart meter data and equitable energy transitions - can cities play a role? *Local Environment* (online): [www.tandfonline.com/doi/full/10.1080/13549839.2017.1383372](http://www.tandfonline.com/doi/full/10.1080/13549839.2017.1383372); Kuzemko, C. (2019) 'Re-scaling IPE: Local Government, Sustainable Energy & Change', *Review of International Political Economy* 26:1, 80-104.
- 9 Hall, S.; Roelich, K. (2016) 'Business model innovation in electricity supply markets: The role of complex value in the United Kingdom', *Energy Policy* 92 (2016) 286-298.
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- 11 See the Greater South East Energy Hub website: <http://46.32.240.41/energyhub.org.uk/recruitment/>
- 12 West Midlands Combined Authority (2018) *A Regional Energy Strategy for the West Midlands*. Birmingham: WMCA.
- 13 Britton, J.; Hoggatt, R.; Mitchell, C.; Lockwood, M. (2018) 'Governing a decentralised and decarbonised energy system', in Lloyd, H. ed., *A distributed energy future for the UK: An essay collection*. London: IPPR. Available at: <http://www.ippr.org/research/publications/a-distributed-energy-future>
- 14 Webb, J.; Tingey, M.; Hawkey, D. (2017) *What We Know about Local Authority Engagement in UK Energy Systems: Ambitions, Activities, Business Structures & Ways Forward*. London and Loughborough: UKERC and ETI; Heat and the City (2019) *Meeting the strategic challenges of UK district heating: research briefing and practitioner resources*. Edinburgh: University of Edinburgh.
- 15 Allcorn, P. (2018) A View from BEIS. Available at: [http://www.apse.org.uk/apse/assets/File/Day%201%20-%20Session%201\\_2%20-%20Patrick%20Allcorn.pdf](http://www.apse.org.uk/apse/assets/File/Day%201%20-%20Session%201_2%20-%20Patrick%20Allcorn.pdf)
- 16 See Gov.UK: Energy Data Taskforce: <https://www.gov.uk/government/groups/energy-data-taskforce>
- 17 UK District Energy Vanguard Network website: <https://heatandthecity.org.uk/project/vanguards-network/>