

Local Power Plans will need new energy partnership model to drive decentralised decarbonisation in UK, Localis report argues

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Press release

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- New report suggests that because local authorities remain essential in achieving net zero, a new model of public private partnerships must be forged to bridge the gap between national ambitions, local action and community benefit.
- GB Energy must help usher in, through Local Power Plans a new wave of strategic partnerships to shape a coherent local energy strategy - providing a framework for grants, investment and development - which will in turn deliver local economic growth and secure community energy provision.
- For Local Power Plans to remain politically viable at the place level, the government should consider moving the capital burden of renewable infrastructure away from household bill levies.

Local Power Plans will need new energy partnership model to drive decentralised decarbonisation in UK, Localis report argues

The government should consider shifting the capital burden of renewable infrastructure from household bills to keep local residents onside with plans to overhaul energy generation, a new report from the think-tank Localis has argued today.

The suggestion is contained in a new report entitled “**Generating Hope: Local Power in Partnership**”, in which Localis makes a series of policy recommendations to central and local government and industry that would ensure Local Power Plans – a key component of Great British Energy (GB Energy) – drive the decarbonisation of energy at the local level.

For the agenda to succeed, a new model of public-private partnerships (PPPs) will prove crucial for mobilizing resources, expertise, and funding for this effort and for smaller, community-led initiatives, bridging the gap between national ambitions and local action, the study argues.

According to the report authors, such partnerships must be strategic, and long-term and able to transform approaches to decentralizing and decarbonising the UK's energy system by empowering communities, reinvesting profits locally, and addressing socio-economic disparities.

The research study, commissioned by E.ON UK, emphasises that overcoming obstacles will require a framework that recognizes the roles of both the public and private sectors at the local level.

Local authorities can act as place leaders, landowners, employers and development authorities, the paper notes, leveraging their powers to promote renewable energy projects and incorporate energy considerations into development plans.

Localis head of research, Joe Fyans, said: “Local authorities will be essential in achieving net zero, as a significant portion of UK carbon emissions fall within their scope of action.

“The report identifies multiple barriers hindering the further deployment of renewable energy, including technical challenges such as grid infrastructure unpreparedness and skills gaps within local authorities.

“Financial obstacles include high upfront costs and investor perceptions of risk, and political barriers include potential public opposition and a lack of clear policy support.

“The solutions to these problems must emphasize the potential for renewable energy to address socio-economic challenges related to the energy trilemma of sustainability, security, and affordability.”

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Jonathan Werran, chief executive, Localis, said: “The recent announcement of Great British Energy’s first major project to put rooftop solar panels on around 200 schools and 200 NHS sites has fired the starting gun in the race to empower local communities to generate their own clean energy this parliament.

“However, if we are serious about unleashing the full power of the local state, it is clear Local Power Plans will require a new model of strategic, long-term energy partnerships to transform how we decentralise and decarbonise the UK’s energy system.

“By fostering direct collaboration among local energy stakeholders, these new model partnerships could bypass traditional barriers to innovation such as fragmented decision-making structures and lengthy tender processes, allowing for more agile and resilient responses to local energy challenges, empowering communities, and reinvesting profits locally.

“To make these work at the level of place, central government should build on successful examples of strategic energy partnerships and produce a contracting framework for local authorities to procure strategically for the long-term benefit of their communities.”

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Notes to Editors:

1. An advance copy of the report is available for download

1. About Localis

Localis is an independent think-tank dedicated to issues related to politics, public service reform and localism. We carry out innovative research, hold events and facilitate an ever-growing network of members to stimulate and challenge the current orthodoxy of the governance of the UK.

www.localis.org.uk

1. Key Report Recommendations: constructing a Local Power Plan

The establishment of GB Energy and the promise of a Local Power Plan represent huge potential to transform central-local relations in the energy transition. The recommendations below, drawn from the research carried out for this project, present some considerations for the key actors involved in the production and implementation of the Local Power Plan.

Enabling the Local Power Plan

Enabling the local power plan will require concerted action across departments, integrating the ambitions of GB Energy with the planning reforms forthcoming from MHCLG, the overall net zero ‘mission control’ of DESNZ and the strategic spatial energy plan of the National Energy System Operator. Action must also accord with the devolution policy and facilitate the upskilling of actors at local authority and community level. To create the conditions for success at local level, central government should:

- Produce legislation to **formalise local area energy planning** to ensure new development contributes to the energy transition whilst also gaining a clearer national picture of future grid demand.
 - This could involve integrating LAEPs with the Local Plan process, or ensuring that completed and approved Local Plans have a statutory LAEP attachment.
 - These plans should feed into future iterations of the National Energy System Operator's strategic spatial energy plan.
 - Frameworks for producing LAEPs should not be overly restrictive, allowing for local variation.
- **Consolidate funding streams** for clean energy projects in local areas.
- **Build community capacity** to engage with energy projects.
 - This would involve working with the community and voluntary sector to build government-funded projects for training and development of community groups looking to get involved with decentralised energy.
- **Establish regional energy data centres** to help local authorities make evidence-led plans.
 - This initiative could connect with the plans for subregional data analytics centres headed up by strategic authorities, as announced in the English Devolution White Paper.
- **Streamline the application process for grid connection** to help communities realise the benefits faster.
- **Invest in local government skills programmes** to allow councils to recruit, train and retain staff who can engage with the energy market.

Delivering the Local Power Plan

The delivery of a successful Local Power Plan will require concerted action across sectors and levels of government.

- Central government should:
 - **Provide local authorities with support in procurement and contracting** to access complex markets.
 - This could involve utilising the Local Net Zero Hub network to extend government support for procurement officers and policy teams in developing tenders, specifications and contracts.
 - **Provide capacity support for planning applications**, to accelerate the planning process for new local infrastructure.
 - The technical detail of some energy infrastructure planning applications prevents timely resolution, a central government funded support hub could act as a mechanism to address this problem.
 - Build on successful examples of strategic energy partnerships to **produce a contracting**

framework

for local authorities looking to procure long-term public-private partnerships.

- Local government should:
 - **Provide robust data and measurement mechanisms** for monitoring and evaluation.
 - **Target quantifiable benefits** to local communities.
 - **Develop financial instruments** such as Community Municipal Investments and Green Bonds to help support local communities.
 - **Embed Green Public Procurement** in their procurement of energy services and utilities.
- Private sector partners should:
 - **Practice meaningful community consultation** over the direction of projects and funding.
 - **Prioritise local job creation** in delivering projects.
 - **Work with a local supply chain** to ensure the retention of economic benefits.

Making the Local Power Plan work

To ensure that the Local Power Plan is politically viable at place level, government should consider **moving the capital burden of renewable infrastructure** away from household bill levies. The government should also consider the **reintroduction of feed-in tariffs** to help enable participation.

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