

Powers in Place briefing



Energy

The Key Takeaway

Local authorities need a formal role in planning the most suitable energy infrastructure for the transition to Net Zero for their areas, and supportive national policies, resources and capacity to enable this.

About UK100

UK100 is a network of local leaders who have pledged to lead a rapid transition to Net Zero with Clean Air in their communities ahead of the government's target.



Executive Summary

Powers in Place is a handbook of the powers that local authorities have to deliver Net Zero, and whether they can deploy these powers effectively to create change. The report covers five areas - overarching powers, transport, buildings, energy and waste.

Electricity decarbonisation has been the biggest driver of UK emissions reductions due to the reduction in coal-fired generation and the rise of gas and renewables. In 2022 the electricity supply accounted for 11% of the UK's emissions. Decarbonising the heat supply system is the next significant challenge in energy infrastructure.

Local Planning Authorities are the primary decision-makers for most renewable energy schemes. Some local authorities are also creating Local Area Energy Plans (LAEPs) and developing Smart Local Energy Systems (SLES), which enable the integration of heat, power, transport and storage at a local scale so that locally generated and available energy is used as efficiently and flexibly as possible to balance local supply and demand.

Key Recommendations



A national framework for LAEPs should be put in place giving a strategic role and more powers to local and regional authorities on energy planning.



Non-competitive funding and resources should be provided for LAEPs to be developed and implemented, including for significant capacity building within local authorities.



The NPPF should require all planning decisions to be compatible with meeting the Net Zero target, giving local authorities the power to refuse consent for fossil fuel extraction or carbon-intensive energy infrastructure.

Challenges



Powers, duties and policies

- Local authorities have no statutory duties on energy, meaning their involvement in energy system planning is piecemeal.
- LAEPs are highly valuable for integrated, place-based energy planning, but under-valued by the Government with no formal place in the energy system.
- Lack of consistency in the Government's national energy and heat policy could lead local authorities to develop strategies and projects that do not align with future national strategy.



Planning

- Onshore wind has been effectively banned in England since the 2015 Written Ministerial Statement - leading to a 94% decline in new projects since 2015. Government has consulted on developing local partnerships for onshore wind.
- Some Net Zero aligned decisions in Local Plans are blocked by the Planning Inspectorate. In 2019, East Devon District Council refused permission for a gas-fired peaking plant, as it was not consistent with the Council's climate emergency declaration. This decision was overturned at appeal by the Planning Inspectorate.



Funding and capacity

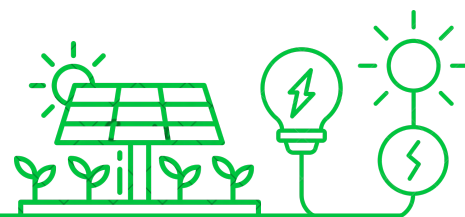
- Commissioning of LAEPs costs between £80,000 for a single area to £300,000 for a whole county, producing static results valid for around 3 - 5 years.
- Applying for competitive funds is time and resource intensive particularly for smaller authorities.
- There are limited resources and lack of technical capability at the local level to carry out energy planning.



District heating

- Defining areas suitable for district heating requires early funding and support for heat mapping, energy master planning, and feasibility studies. Long-term funding is rarely available.
- Developers can only be required to connect to a district heating scheme if it is viable to do so, however proving viability is hard.
- District heating schemes are technically complex, with evolving technology which could change in the 10 years between initial studies and installation.
- There is a need for anchor demand customers, and a sufficient number of buildings to join the scheme to be viable.





Greater Manchester Local Energy Market, supported by Innovate UK, is developing a smart local energy system (SLES), informed by the LAEPs which have been developed by each of the 10 boroughs. It includes local renewable energy supply, demand reduction, different heat supply technologies and EV charging infrastructure suitable for each locality. The LAEPs identify priority areas for insulation and where heat networks and heat pumps are suitable. The project is run in a partnership of the combined authority, local authorities, Electricity North West and private and third sector suppliers and retrofit experts.

Oxfordshire's Project LEO, part-funded by Innovate UK, is a partnership across the local authorities, Low Carbon Hub, DNO, universities and businesses to trial different approaches to developing a SLES. It involves:

- place-based neighbourhood trials for equitable management of flexible demand and supply
- asset-based trials to understand how renewable electricity generators can viably respond to flexibility requirements
- market trials to investigate mechanisms to pay for local flexibility
- data trials to understand SLES' data needs and management.



[Read Powers in Place](#)

[Read Briefing Notes on Buildings, Energy Infrastructure, Local Powers and Waste](#)

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Relevant Legislation	Power enabled or blocked
Planning Act 2008	Set energy standards above building regulations and require on-site renewables for new developments. Consenting renewable generation <50MW
Planning and Compulsory Purchase Act 2004	Preparation of local development documents that support decarbonised heat, district heat networks, heat pumps and smart energy systems
Town and Country Planning Act 1990	Planning consent for district heating schemes and for electricity storage schemes
National Planning Policy Framework 2019 revision; s.151 and 153.	Plans should increase the use and supply of renewable and low carbon energy and heat; developers should comply with policies on decentralised energy supply unless they can prove it is not viable/feasible
Electricity Act 1989 (Amended by the Utilities Act 2000) and the Electricity (Class Exemptions from the Requirement for a Licence) Order 2001	Selling small scale electricity
Sale of Electricity by Local Authorities 2010	Permitting the sale of renewable electricity generated
Local Government (Miscellaneous Provisions) 1976	Production and sale of heat
Local Government Act 2003	Financial borrowing and investment powers
Localism Act 2011	Establishing a company or co-operative
Highways Act 1980	Installation of EV charging
Local Government Act 1972	Powers to acquire and dispose of land; local authorities can own land (on which they can install renewable energy generation/district heat networks)
Local Government Act 1972, (Section 123) General Disposal Consent 2003	Local authorities can dispose of land including for less than the best consideration that can reasonably be obtained ... to secure the promotion or improvement of the economic, social or environmental wellbeing of its area
Energy Bill 2023 (not yet enacted)	Powers to identify heat network zones and require buildings and energy sources within those to connect to the network.
Permitted Development Rights afforded to the Local Authority in Part 12 of the Town and Country Planning (General Permitted Development) Order 1995 (as amended)	Local authorities can bring forward a district heat network on land it owns or for which it is the Highways Authority
Town and Country Planning Act 1990	Local Development Order for ‘class based’ planning permission for an area for district heating networks
Public Contracts Regulations 2015	Procurement of Services Works and Supplies – for example, for procuring a district heat network
Concessions Contracts Regulations 2016	Award of concessions by public bodies – for awarding a concession for a district heat network
Section 59 of the New Roads and Street Works Act (1991) (NRSWA).	Local authorities have a duty to coordinate Street Works