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| LGA submission to OFGEM’s [Regional Energy Strategic Plan policy framework Consultation](https://www.ofgem.gov.uk/consultation/regional-energy-strategic-plan-policy-framework-consultation) |
| 07 October 2024 |

1. **About the Local Government Association (LGA)**
   1. The Local Government Association (LGA) is the national voice of local government. We are a politically led, cross party membership organisation, representing councils from England and Wales.
   2. Our role is to support, promote and improve local government, and raise national awareness of the work of councils. Our ultimate ambition is to support councils to deliver local solutions to national problems.
2. **Summary**
   1. Councils want to work as partners with central government on climate action. Councils are well-placed to do this as place-shapers, convenors of communities and partners, delivery agents, commissioners, and owners of assets. Net zero can only be achieved with decarbonisation happening in every place across the country and this requires local leadership.
   2. Councils, as planning authorities, shape place through the Local Plan making process and through location specific Masterplans. Through these processes, growth areas are identified, and areas of land are designated for uses. These plan making processes shape future land use and with that comes future energy demand.
   3. Increasingly councils are looking to play their role in supporting decision-making around the local energy system. For instance, many councils are now looking to develop Local Area Energy Plans. Even in areas that do not have a LAEP, councils are best placed to inform these assumptions as they know their place and their residents. Councils are also considering other ways to best shape place given the likely largescale shift to the electrification of buildings and transport. Councils, as community leaders, can be a positive and influential partner when taking this agenda forward.
   4. The LGA agrees that the central hub should develop a set of common assumptions to be used across all regions, but these should be developed with the spokes to understand the regional variations that there will be in the profiles of low carbon technology use, consumer behaviours and profiles for the growth in flexibility provision.
   5. The LGA agrees that the role of the NESO is to provide support, upskilling, tools and consistency but if this is to be done well it needs to be well resourced. The Local Net Zero hubs provide a not dissimilar function, but their capacity falls way short of the demand with many councils not getting any support. The local actor support function needs to be much better resourced than the Local Net Zero Hubs.
   6. It is important that local government is represented at every level if not representing every authority in an area. The final decision of who represents local government on each of the strategic boards should be a local decision that reflects the local government structure and organisation in that area and not an arbitrary national decision.
   7. Local democratic accountability is essential when planning a future energy system for all. Councils understand their place and they are close to the people who live in the area, understand their needs and concerns, and can translate those views. Councils are also the planning authorities and service providers for their area, they understand local growth needs and could do community engagement across the system to get their buy in.
3. **Answers to consultation questions**
   1. **Q1. What are your views on the principles (in paragraph 2.8) to guide NESO’s approach to developing the RESP methodology? Please provide your reasoning.**
   2. The four principals set out in proposal 2.8 are welcomed but we are concerned they may be constrained or misinterpreted. The Strategic Spatial Energy Plan (SSEP) will set out the foundation for future network planning and define the optimal mix and locations of generation technologies, with the RESPS being developed after the SSEP and the Centralised Strategic Network Plan (CSNP). The RESP will focus on the distribution, but a place-based approach will need to consider the previously decided generation location as well as the planned locations of demand. This is likely to be unavoidable, but any such constraints inherent in the system planning process should be transparent from the outset.
   3. To ensure these limitations are minimised and transparency and accountability is maximised, NESO’s work on the SSEP and the CSNP needs to include a significant level of engagement and consultation with local government from the outset. Many councils in England have produced or are in the process of producing Local Area Energy Plans (LAEP), and many of these will have identified suitable sites for renewable energy generation and these should be considered whilst developing the SSEP and CSNP. Even in areas that do not have a LAEP, councils are best placed to inform these assumptions as they know their place and their residents.
   4. We agree that the methodology should also embody the principles of being whole system, vision-led and proactive. Adopting a whole system approach is essential to ensure a truly place based approach is achievable. These two principles particularly are codependent and allow for degrees of flexibility in delivery. The energy system transition is going to be different in different locations to varying degrees. Proximity to waste heat or naturally renewable sources of heat will vary and the tapestry of the energy mix will vary by location and therefore the RESP will need to take all these options into consideration.
   5. LGA believes a fifth principle of flexibility should also be included in the methodology’s guiding principles. Councils plan for growth and they will base those plans on population and economic projections, but they do not set limits to growth and often circumstances outside of their control predict population flows. Flexibility to accommodate for growth outside population and economic projections is going to be essential.
   6. Many councils are currently constrained by local grid capacity, and some have even led the development of sub stations to meet their housing targets and needs. The establishment of the RESPs provides a potential solution to these current constraints but that will only be possible if the engagement with local authorities is wide and ongoing.
   7. **Q2. Do you agree that the RESP should include a long-term regional vision, alongside a series of short-term and long-term directive net zero pathways? Please provide your reasoning.**
   8. **Q3. Do you agree there should be an annual data refresh with a full RESP update every three years? Please provide your reasoning.**
   9. The LGA agrees with OFGEMS intention to require RESPs to include a long-term regional vision alongside a series of short term and long-term directive net zero pathways. This approach provides that long term vision planning authorities, business, investment sector and industry need to plan but also provides pre-determined flexibility to help manage unknown challenges that will inevitably arise when transitioning a national energy system at pace.
   10. An annual data refresh with a full RESP update every three years sounds sensible however this should also include a 6 month review to ensure this approach continues to be optimal.
   11. **Q4. Do you agree the RESP should inform the identification of system need in the three areas proposed? Please provide your reasoning, referring to each area in turn**
   12. The LGA agrees that the central hub should develop a set of common assumptions to be used across all regions, but these should be developed with the spokes to understand the regional variations that there will be in the profiles of low carbon technology use, consumer behaviours and profiles for the growth in flexibility provision.
   13. Councils are best placed to inform this phase of work and that is why it is important that this work is undertaken with the spokes and particularly utilising the spatial and numerical data that councils hold. Many councils in England either have or are in the process of producing Local Area Energy Plans (LAEP) and profiles of low carbon technology use, consumer behaviour and to some degree, growth in flexibility provision will already have been assessed. Even in areas that do not have a LAEP, councils are best placed to inform these assumptions as they know their place and their residents. It would also be helpful to have greater clarity on how the RESP identification of system need will interact with the heat network zoning legislation being introduced in England, and whether RESPs risk replicating any of the work undertaken by local Zoning Coordinators. Looking at each area in turn;
   14. Profiles for low carbon technology use and the interactions between each use – electric vehicle charging, heat pump use and the interactions between them will vary considerably, depending on geographical location, housing type and housing density. Higher density housing such as flats and terraced housing will have limited potential for home to vehicle charging. There will likely be limitations on heat pump use in conservation areas, back-to-back terraced housing and flats and many more hyper local variations that cannot be accounted for at the hub level.
   15. Consumer behaviour profile changes over time in response to events (eg, weather and climate) will also vary significantly regionally and locally. Councils are starting to build an understanding of the impacts a changing climate will have on their local area as data recording timelines lengthen. Tools such as the Met Offices Local Authority Climate Service that launches in October 2024 will also help councils predict the impact that a changing climate is likely to have on their local area.
   16. Profiles for the growth in flexibility provision such as Demand Side Response etc will have been considered by councils that have undertaken a Local Area Energy Plan but probably considered less so in those authorities that haven’t. Data analysis and assumption mapping would likely best sit at the hub level with some regional variation that a hub can provide.
   17. **Q5. Do you agree technical coordination should support the resolution of inconsistencies between the RESP and network company plans? Please provide your reasoning.**
   18. Yes. Technical coordination is best placed to resolve inconsistencies between the RESP and the network company plans as it can take and elevate, England wide view on deliverability and system efficiency. It can also take on a peer-to-peer review role, comparing the benefits and opportunities of one RESP with another whilst considering regional differences.
   19. **Q6. What are your views on the three building blocks which come together to form the RESP in line with our vision? Are there any key components missing?**
   20. Notwithstanding the comments already made, the three building blocks proposed look about right to form the RESP in line with the vision when they come together. Conflict resolution is the only missing component but it may be the intention that is resolved in Technical Coordination.
   21. **Q7. Do you agree with the framework of standard data inputs for the RESP? Please provide your reasoning.**
   22. **Q8. Do you have any suggestions for criteria to assess the credibility of the inputs to the RESP?**
   23. This list should now include Local Growth Plans which could be considered separate entities to Local Plans which are produced by the Local Planning Authority and focus on land use and allocates policies against which planning applications are considered. Local Growth Plans are likely to be wider reaching and look at skills, supply chains, transport etc.
   24. Local authority planning documents once adopted have been tested through a democratic process and have been consulted on publicly and often been subject to an examination in public led by the planning inspectorate. Such plans do not need assessing for the credibility of the inputs.
   25. **Q9. Do you agree with the framework for local actor support? Please provide your reasoning.**
   26. The Framework for local actor support looks to be about right but in the detailed planning phase it needs to be factored in that this support needs to be available for all local authorities in the RESP region. The RESPs will need to consider most of the functions all local authorities undertake and all the services they provide. This is 315 authorities in England.
   27. District councils, Borough councils and Unitary authorities are the planning authorities and the housing providers, County Councils provide education, highways, waste disposal functions. All lending too or drawing from the energy system. Many councils are now considering being renewable energy generators or owners of assets, providing energy into the system. Bristol City Council became the first council to own and operate an onshore wind turbine and Warrington Borough Council now own three solar farms. Councils are key to wider land-use considerations, knitting together strategies for housing and growth via local plans, alongside energy systems, but also in protecting and growing nature through Local Nature Recovery Strategies and local transport plans.
   28. The LGA agrees that the role of the NESO is to provide support, upskilling, tools and consistency but if this is to be done well it needs to be well resourced. The Local Net Zero hubs provide a not dissimilar function, but their capacity falls way short of the demand with many councils not getting any support. The local actor support function needs to be much better resourced than the Local Net Zero Hubs.
   29. The roles of the local actor support function also need to be varied. There is a definite need for technical and data support but there is also an engagement role that will be increasingly important in helping councils with internal and external engagement. Councils hold and have access to considerable data, but that data needs to be regularly updated and refreshed if it is to be of optimal use to the RESPs. The costs of managing and updating data for use by the RESPs will need to form part of the support provision.
   30. The LGA appreciates that it is not within OFGEM’s powers to determine duties local authorities should hold or provide funding to local authorities, but we strongly welcome the intent to work with colleagues in government to highlight the impacts relevant to local government, but also the opportunity and benefit of funding councils to undertake a technical role in energy system planning. Alongside RESPs we have Heat Network Zone Coordination to be managed at a local level and governments ambition to have 8 Gigawatts of local renewable energy generation by 2030 will need local support and facilitation in all areas of England. Councils will need to invest to do this and need some support with that, and good to see mention of capacity building beyond NZ Hubs.
   31. **Q10. Do you agree with the purpose of the Strategic Board? Please provide your reasoning.**
   32. The LGA agrees with the purpose of the Strategic Board. Local democratic accountability is essential when planning a future energy system for all. Councils understand their place and they are close to the people who live in the area, understand their needs and concerns, and can translate those views. Councils are also the planning authorities and service providers for their area, and they understand local growth needs.
   33. Councillors are democratically elected and serve their electorate. They are in constant communication with the electorate and are therefore best placed to represent the needs of communities.
   34. **Q11. Do you agree that the Strategic Board should include representation from relevant democratic actors, network companies and wider cross-sector actors in each region?**
   35. **Q12. How should actors (democratic, network, cross-sector) be best represented on the board? Please provide your reasoning, referring to each in turn.**
   36. It is important that local government is represented at every level if not representing every authority in an area. In two tier authority areas where there is not a combined authority a representative from each of the tiers should be included as a minimum. District and Borough councils are the planning authorities and social housing providers, and lead local economic development strategy, waste collection and street cleansing and County Councils are the transport authorities, education authorities and leisure service providers.
   37. A core interest in energy system planning and provision is of substantial interest and importance to Borough, District, Unitary, County and Combined authorities but in many ways district, borough and unitary authority functions have a great reliance on a fit for purpose energy system and are democratically closer to the residents, communities and businesses that create the demand profile for energy.
   38. The final decision of who represents local government on each of the strategic boards should be a local decision that reflects the local government structure and organisation in that area and not an arbitrary national decision. The LGA wants to minimise governance/bureaucracy in the system, its about informing good planning rather than creating conflict.
   39. **Q13. Do agree with the adaptations proposed for Option 1? Please provide your reasoning.**
   40. **Q14. Do you agree with our assessment that Option 1 is a better solution than Option 2? Please provide your reasoning.**
   41. **Q15. Do you agree a single region for Scotland is optimal? If you think a two region solution is better, do you agree the split should occur at the SSEN and SPEN DNO boundary? If not, please provide your reasoning and alternative option(s)**
   42. The LGA as the national voice for English councils does not have a view on local and regional boundaries. The LGA’s points following the November 2023 outline proposal was that our individual members should be engaged and have the opportunity to influence the RESP boundaries that will effect their local area.