

APSE Summer Series Roundtable - How will the new government take energy matters forward?

To: All APSE contacts

For info: Some legislative references apply to England only

1 Context

Following the general election and the advent of the new government, APSE held a series of roundtable discussions covering a range of service areas. One of these discussions was convened for APSE members with responsibilities in energy, renewables and climate change. This session explored some of the related actions and commitments from the new government and how these may impact local government.

This briefing provides a summary of the current position of the energy and climate change agenda and highlights the key themes that arose during the roundtable discussion. We use the views raised during the discussion to conclude with a call to action for the new government within its first 100-days.

2 Current position

Upon being appointed as the Secretary of State for Energy Security and Net Zero, Ed Miliband wrote a letter to staff outlining his priorities for DESNZ, building on some of the policies outlined in the Labour party manifesto. These priorities are:

- delivering the Government's mission to boost energy independence and cutting bills through clean power by 2030;
- taking back control of energy with Great British Energy;
- upgrading Britain's homes and cutting fuel poverty through the Warm Homes Plan;
- standing up for consumers by reforming the energy system;
- creating good jobs in Britain's industrial heartlands, including a just transition for the industries based in the North Sea;
- leading on international climate action, based on domestic achievements.

In his letter, Miliband stated that the department would get started right away and this was proved to be true through changes to planning guidelines related to onshore wind and approval of 3 large solar farms within the first few days of the new government.

3 Great British Energy

The founding of Great British Energy, a new publicly owned energy company was one of the key features of Labour's manifesto and will play an integral role in achieving government's mission to 'Make Britain a clean energy superpower'. The manifesto announced that Great British Energy would invest £8.3 billion in leading technologies and capital-intensive projects with the hope that this will attract significant further investment from the private sector.

The new government has since published a founding statement for Great British Energy which provides more detail on exactly what Great British Energy will be and where it will invest. The statement outlines that the energy company will deliver the mission of Britain becoming a clean energy superpower through the following 5 functions: -

- project investment and ownership;
- project development;
- the Local Power Plan;
- the supply chain;
- Great British Nuclear.

Of these 5 functions, the Local Power Plan is particularly relevant to local authorities with the government announcing that it will put local authorities and communities "at the heart of restructuring our energy economy". Through the Local Power Plan, local and combined authorities, as well as community energy groups will be provided with funding to roll out small and medium-scale renewable energy projects, with the aim of developing 8GW of clean energy. The Labour Party has previously announced that through the Local Power Plan, GB Energy will support local power generation through providing up to £600m in funding for local authorities and up to £400m in low-interest loans each year for local communities, however as of yet it is unclear exactly how and when this money will be made available. It has also been announced the Local Power Plan will provide local government and community energy groups with commercial, technical and project-planning assistance to support with the development of a successful projects within local areas.

Local authority and community energy projects can play a vital role in the decarbonisation of the grid whilst also providing substantial co-benefits to local areas, therefore APSE Energy welcomes this focus on supporting local renewable generation projects. We look forward to learning more about exactly how Great British Energy and the Local Power Plan will impact local authorities and APSE Energy will be producing a briefing note on this once more details emerge.

In addition to Great British Energy, the Welsh Government has also launched a new publicly owned renewable energy developer for Wales, which is to be called 'Trydan Gwyrdd Cymru'. The energy developer has been launched to speed up the development of renewable energy projects with a particular focus on onshore wind.

The Trydan Gwyrdd team will work alongside Natural Resources Wales to develop wind farms on the woodland estate, and plan to begin engaging with local communities near the initial sites as soon as possible. The Welsh Government stated that the energy company wouldn't start generating income for some years but added that it marks the start of a more secure energy future.

4 Planning

The Government moved very quickly to end the de facto ban on onshore wind in England which had been in place since 2015. The ban was a result of two footnotes in the National Planning Policy Framework which meant that areas for onshore wind had to be outlined in the local plan and that any opposition within the local community could lead to an onshore wind project being derailed. These footnotes were removed on the 8 July 2024, which has put onshore wind on equal footing with all other forms of infrastructure.

Currently, Bristol City Council is the only local authority with council owned wind turbines, APSE Energy has worked with local authorities in the past who have investigated the potential of installing onshore wind and we hope that the removal of these footnotes will encourage local authorities to explore the potential for onshore wind. It is quicker to install than solar, costs less per MW and take less space – so they ought to be part of the overall considerations for renewables at a local level.

Further to the lifting of the de facto onshore wind ban, the Ministry of Housing, Communities and Local Government is currently running a consultation into ‘Proposed reforms to the National Planning Policy Framework (NPPF) and other changes to the planning system’. This consultation includes whether to bring onshore wind back into the Nationally Significant Infrastructure Project regime, changes to the NPPF to give greater support to renewable and low carbon energy, and whether to increase the threshold for onshore wind projects to be deemed as NSIPs from 50MW to 100MW and for solar from 50MW to 150MW. The consultation document includes a range of other questions related to climate and renewable energy, the full consultation can be found [here](#).

The Government has also moved quickly to approve 3 new solar farms in Lincolnshire, Suffolk and Cambridgeshire which will have the potential to generate up to 1.4GW of renewable electricity. As well as the approval of these solar farms, the energy secretary has also said that he would like to launch a solar rooftop revolution which would encourage homeowners and builders to install rooftop solar on homes across the UK.

The King’s Speech outlined how the Planning and Infrastructure Bill will unlock economic growth, accelerating upgrades to the national grid and boosting the roll out of renewable energy. However, we are currently awaiting more details on this being published.

The Labour government will also restore mandatory housing targets which will aim to see 1.5 million homes built over the next parliament which would involve over 1,000 homes being built each working day for the next 5 years. It has been announced that this will involve prioritising brownfield and grey belt land for development. This will have a significant impact on demand for electricity from the grid so further investment will be needed to upgrade the grid to meet the inevitable increase in demand.

5 Warm Homes Plan

On the topic of housing, the government has announced that a Warm Homes Plan will oversee £6.6 billion in additional government investment over the next parliament with the aim of reducing fuel poverty through upgrading five million homes to cut bills for families.

As with many policies from the Labour Party's manifesto, we are still waiting to learn further information on exactly what the Warm Homes Plan will look like and what it will mean for local authorities in terms of funding and delivery. However, the manifesto outlined that in collaboration with local authorities, the Warm Homes Plan will: "offer grants and low interest loans to support investment in insulation and other improvements such as solar panels, batteries and low carbon heating to cut bills."

6 Further commitments from the Labour Party manifesto and the King's Speech

Further commitments to come from the Labour Party's manifesto and the King's Speech include:

- Restoring the 2030 phase-out date for new cars with internal combustion engines – for local authorities, alongside other providers, there will be benefits in terms of air quality but adds pressure to ensure adequate chargers are available by the earlier date. The bringing forward of the date will also add pressure to the need to address capacity within the national grid;
- £7.3 billion in investments through the National Wealth Fund, including £1.5bn for gigafactories (including for electric vehicles), £2.5bn to clean steel, £1bn for carbon capture and £500m to green hydrogen;
- The Government has committed to award councils with multi-year funding settlement and end competitive bidding – it will be interesting to see how this impacts on sources of funding such as the Public Sector Decarbonisation Scheme, Social Housing Decarbonisation Fund and Scotland's Public Sector Heat Decarbonisation Fund. There has been significant criticism of the management of these funds, in the past, including the competitive element included in the application process;
- Partnership - Labour will work with the private sector to double onshore wind, triple solar power, and quadruple offshore wind by 2030 – although there is recognition that the targets will not be met without private sector investment, local authorities should be encouraged to gain maximum environmental, social and financial benefit from investing in their own assets;
- Ensuring the long-term security of nuclear power; no new licences will be granted to explore oil and gas nor to dig coal; and fracking will be banned;
- Labour will work with industry to upgrade the national transmission infrastructure and rewire Britain – this is a fundamental step in ensuring targets will be met, energy generation will be decentralised and electricity demand met;
- A Better Buses Bill to allow local leaders to take control of their local bus services – this change will enable local leaders to take control of investment in low and no emission vehicles rather than waiting for other operators to do so;
- Labour has committed to "bringing down cost of energy" – this generic statement may prove difficult for the new government to meet bearing in mind the need to raise money to pay for investment in the grid and other infrastructure as new generation assets are built.

7 Asks from the sector to government

Although it is encouraging to see this progress and the ambition set out in the priorities outlined above, much more needs to be done if the UK is to reach the targets of clean power by 2030 and net

zero by 2050. In its annual [Progress Report to Parliament](#), published on 18 July, The Climate Change Committee highlighted the need for urgent action, stating that just a third of the emissions reductions required to achieve the 2030 emissions reduction are currently covered by credible plans.

With many of the new government's policies related to the energy and climate change agenda yet to be outlined in detail, several key questions for the new government emerged from the round table discussion on how exactly the new government will work with and support local authorities in their work towards various net-zero targets and ambitions. These key questions are outlined below:

- The Local Power Plan refers to £600m in funding for local authorities and £400m in low-interest loans, how will this money be allocated and what will it fund?
- How will the government ensure that investment in the grid does not hold up infrastructure projects, such as new housing or renewable energy projects?
- How will future funding for technologies be delivered?
- When will GB Energy be operational?
- What will be the scope for the Warm Homes Plan? Will it cover social housing and if so, how will this funding be delivered?
- Will the Warm Homes Plan have an impact upon the Local Authority Retrofit Scheme?
- Are there any plans for DESNZ to explore the potential of deep geo-thermal energy?
- There is as yet no clarification on policy as to local authorities exercising their power to prescribe policies which go beyond the Building Regulations under section 1 of the Planning and Energy Act 2008. This clarification is needed quickly.
- Are there any plans for changes to the allocation of future funding opportunities? Is there potential for combined authorities to play a role in distributing at the local level?
- How can local government ensure that central government appreciates the level of expertise and experience in the sector and how the sector can bring that to bear at government level? Is there potential for local authority representatives to be included in government technical working groups?

Overall, attendees at the roundtable were optimistic about the aims of the new government relating to the energy, climate change and sustainability agenda, with attendees welcoming commitments to increase spending on renewable energy projects, including community energy, as well as commitments to move away from the first come first served approach to Public Sector Decarbonisation Scheme funding and the fast pace at which policy changes have been made since the new government arrived in office. However, many questions still remain on the exact role that local authorities will be expected and required to play in reaching the Labour Party's target of reaching 100% clean energy by 2030 and net zero by 2050.

APSE Energy expects that further clarity on these areas will be provided in the coming months as the new government publishes further plans and bills, such as the Local Power Plan and the Planning and Infrastructure Bill. The government won't be able to reach net zero targets without close collaboration with local authorities and therefore it is important that local authorities are engaged with and listened to at all stages of the new government's path to net zero.

APSE Energy will be keeping up to date with any announcements and will be continuing to produce briefing notes on matters related to the energy and climate change agenda, whilst also organising webinars and in-person events to keep members informed on such developments

If you would like to find out more about the benefits of APSE Energy membership, please contact James Jefferson, Principal Advisor at jjefferson@apse.org.uk or Phil Brennan, Head of APSE Energy at pbrennan@apse.org.uk

All APSE members can also sign up to APSE's Climate Change and Renewables Network. For details contact Matthew Ellis on mellis@apse.org.uk

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