
BEIS Local Energy

Energy has long been a national issue

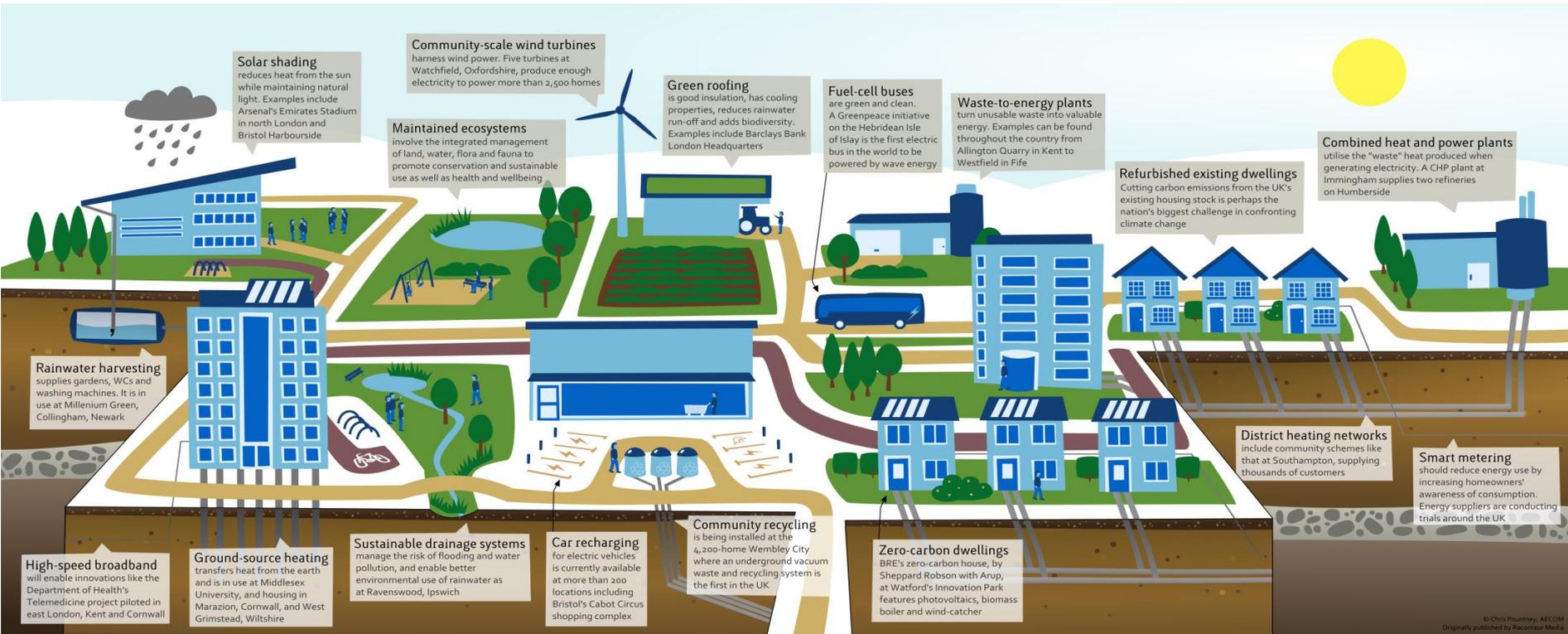
Electricity Transmission



Gas Transmission



Energy system transformation



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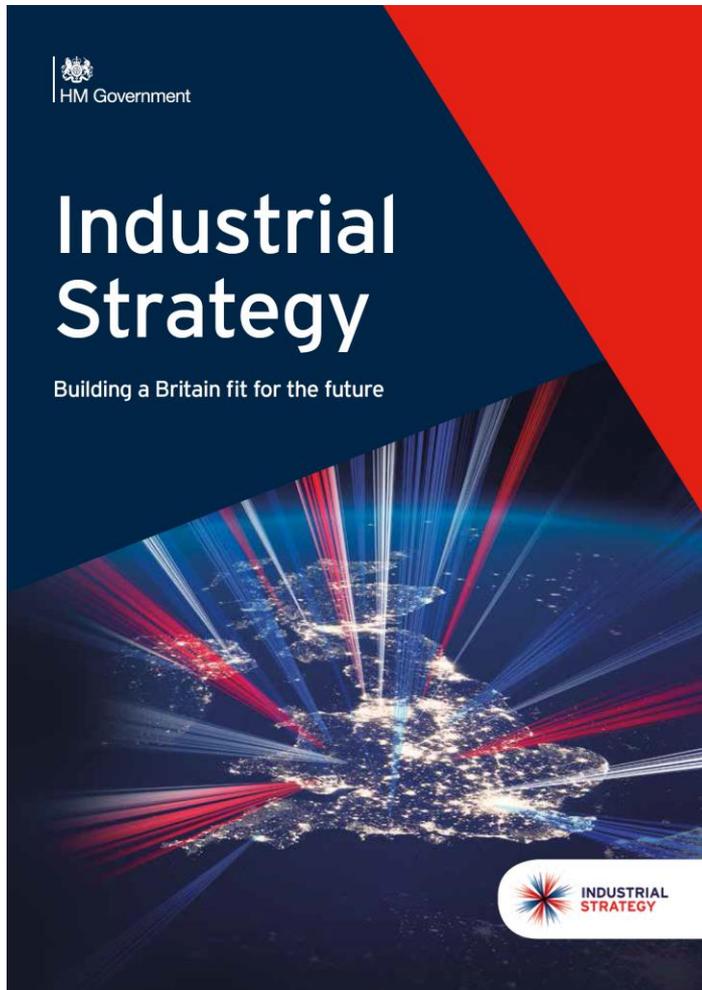


UK BUILDING STRATEGY



Department for
Business, Energy
& Industrial Strategy

Clean growth is now embedded in policy



 HM Government



“The move to cleaner economic growth... is one of the greatest industrial opportunities of our time.”

So why local?

- Many of these changes will be made locally, by residents, communities, businesses and the public sector
- Local Authorities and Local Enterprise Partnerships are able to play a vital role in coordinating, facilitating and delivering the transformation of our energy system
- They are motivated to do this in order to:
 - Retain value, enhance productivity and increase growth in the local economy
 - Improve local health and wellbeing
 - Reduce costs across all sectors
 - Cut carbon emissions



Existing local energy activity

- Many local authorities have committed to ambitious carbon and energy targets, e.g. Covenant of Mayors, UK100
- Many LEPs identify energy as a key sector or economic priority, and fund related Local Growth and ERDF projects
- Around half of local authorities in the UK are actively investing in energy projects, with estimated total value £1bn¹
- Over 222 community energy organisations leveraged over £190m in project finance from £1.9m of project development funding²
- Broad range of projects

1. Rough estimate based on mean value of 182 projects for which financial data was available, out of total number of 458 local energy projects, source: University of Edinburgh (2017) *Local Authority Engagement in UK Energy Systems*. 2. Ref: *Community Energy State of the Sector (2017)*

Low carbon growth and innovation

Domestic energy efficiency

Business energy efficiency

Public sector retrofit

Electricity generation, supply or distribution

Heat generation, supply or distribution

Smart systems and storage

Low carbon vehicles



Challenges

- While existing activity is impressive, progress is patchy across the country:
 - 66% of local authorities have made little or no progress on energy and climate change¹
 - LEP benchmarking in 2017 revealed that although more are actively addressing energy and climate change, performance is still very varied²
- Barriers to progress at the local level include:
 - Limited project development capacity and capability amongst local authority and LEP teams³
 - A lack of capital for the initial stages of project development³
 - A lack of sufficient scale of projects to attract private investors - of the 458 projects considered in one study¹, only five were above £10m

1. University of Edinburgh (2017) *Local Authority Engagement in UK Energy Systems*

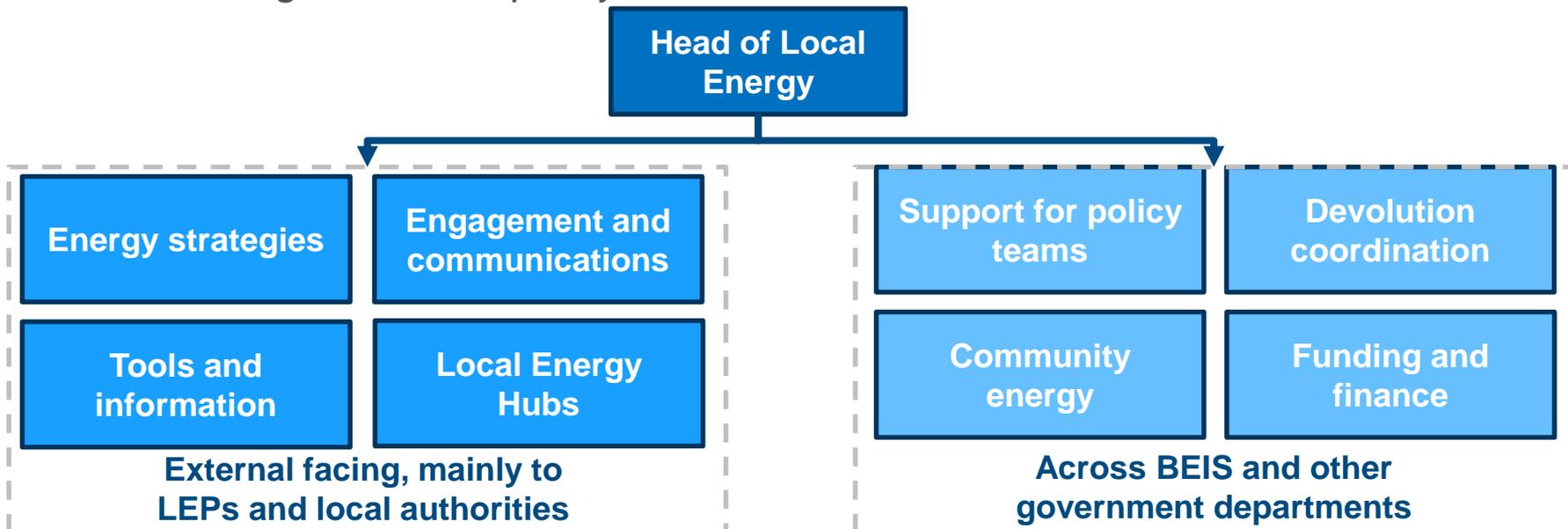
2. www.sustainabilitywestmidlands.org.uk/wp-content/uploads/3a_SWM-Benchmarking.pdf

3. UK100 (2017) *Financing the Transition*



Introducing the Local Energy programme

- The Local Energy programme was established to support LEPs and local authorities in England to play a leading role in delivering clean growth
- It has been designed to address the gap in capacity and capability of local authorities and LEPs, and improve the flow of information between local areas and central government policy teams

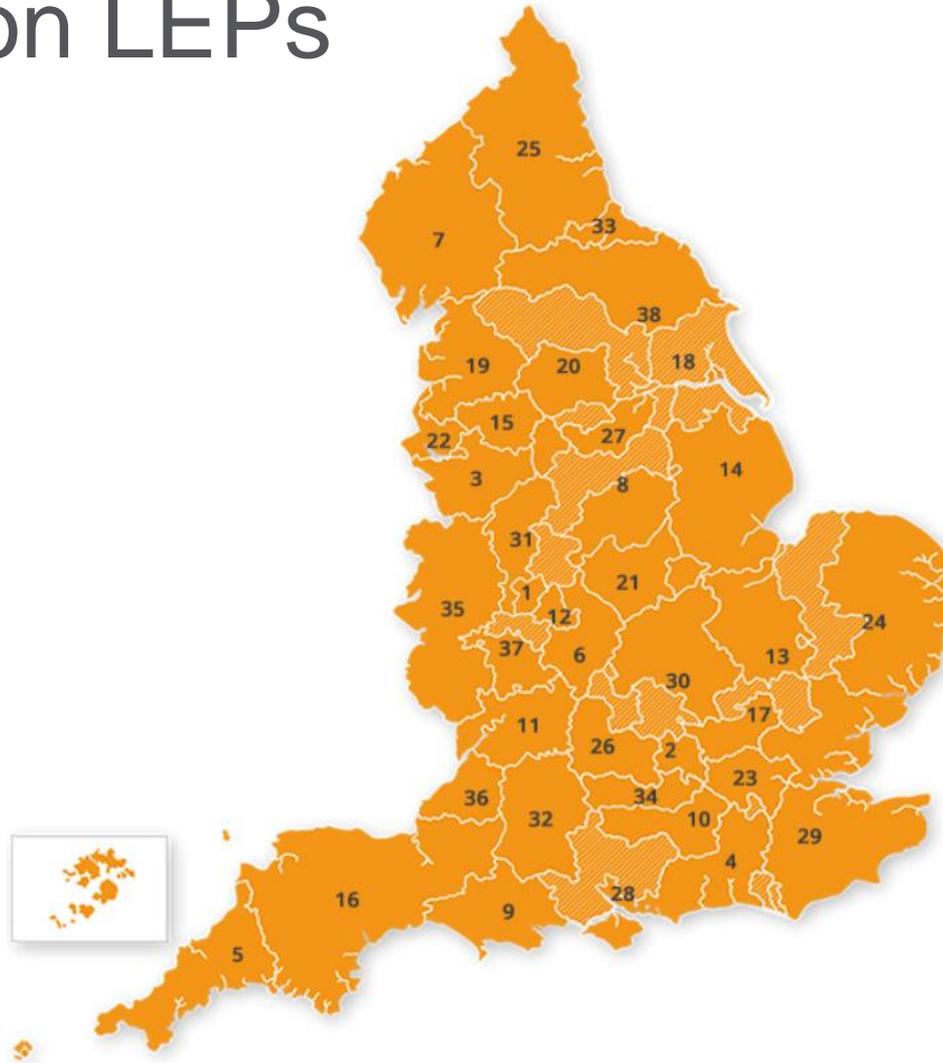


Support for local authorities and LEPs

- BEIS already provides a range of policy and financial support for energy projects, and takes into account local needs and views on specific issues
- The support we are providing to local authorities and LEPs will enable them to understand energy opportunities and challenges in their local area and undertake the initial stages of development for priority projects



Focus on LEPs



01. Black Country
02. Buckinghamshire Thames Valley
03. Cheshire & Warrington
04. Coast to Capital
05. Cornwall & the Isles of Scilly
06. Coventry & Warwickshire
07. Cumbria
08. Derby, Derbyshire, Nottingham & Nottinghamshire
09. Dorset
10. Enterprise M3
11. Gloucestershire
12. Greater Birmingham & Solihull
13. Greater Cambridge & Peterborough
14. Greater Lincolnshire
15. Greater Manchester
16. Heart of the South West
17. Hertfordshire
18. Humber
19. Lancashire
20. Leeds City Region
21. Leicester & Leicestershire
22. Liverpool City Region
23. London
24. New Anglia
25. North East
26. Oxfordshire
27. Sheffield City Region
28. Solent
29. South East
30. South East Midlands
31. Stoke-on-Trent & Staffordshire
32. Swindon & Wiltshire
33. Tees Valley
34. Thames Valley Berkshire
35. The Marches
36. West of England
37. Worcestershire
38. York, N. Yorkshire & East Riding

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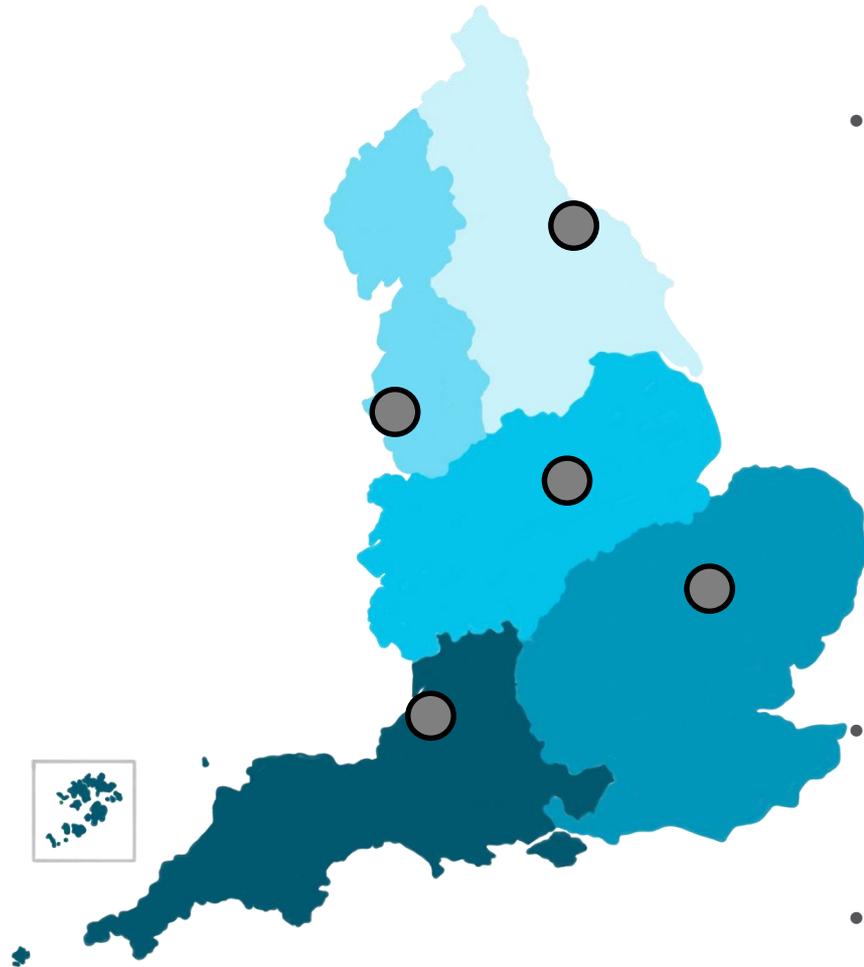


Energy strategies

- All LEPs have been offered funding to develop an energy strategy, with reports expected to be finalised late 2018
- These will:
 - Identify the energy opportunities and challenges across the whole LEP area, for power, heat and transport
 - Set out energy demand and carbon emissions trajectories
 - Identify a pipeline of low carbon energy projects
 - Assess the economic potential associated with this transformation, and inform the Local Industrial Strategy
 - Determine how the strategy will be delivered, including priorities and actions for the LEPs and their partners
- The suite of strategies, covering the whole of England, will also provide a valuable evidence base for use by central government



Local energy hubs to build capacity



- £4.8m total funding for five local energy hubs:
 - North West (hosted by Liverpool)
 - North East, Yorkshire and Humber (Tees Valley lead)
 - Midlands (Nottingham lead)
 - Greater South East (Greater Cambridge and Peterborough lead)
 - South West (West of England lead)
- Each hub will have a regional lead, a small team of energy project managers, and access to technical, financial, legal support
- Hubs up and running later in 2018

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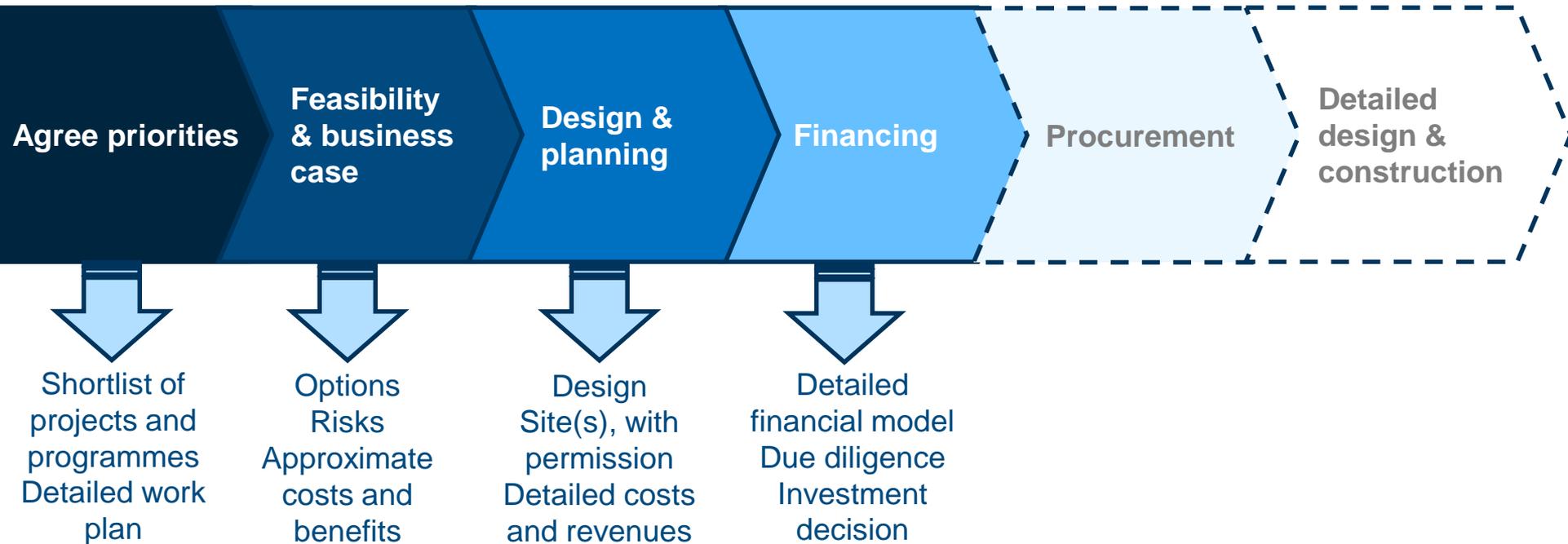
Objectives of the hubs

1. Increase number, quality and scale of local energy projects being delivered
2. Raise local awareness of opportunity for and benefits of local energy investment
3. Enable local areas to attract private and/or public finance for energy projects
4. Identify working model for teams to be financially self-sustaining after first two years



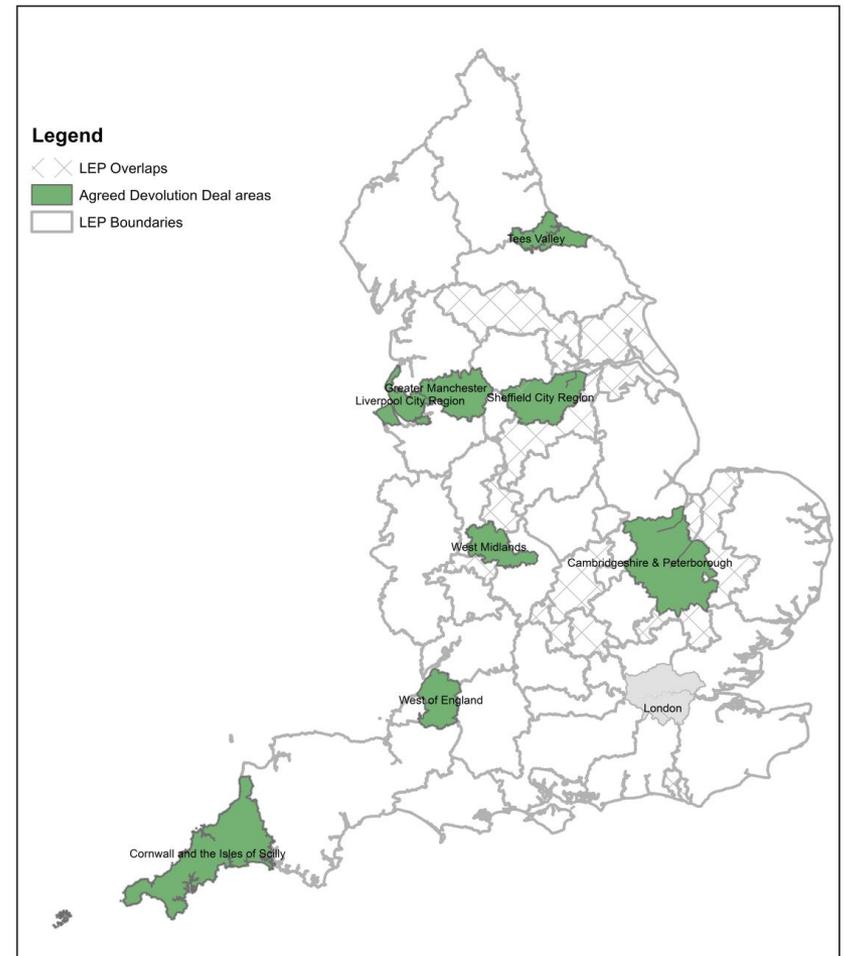
Activities of the hubs

- LEP energy strategies are intended to include a long list of projects as a starting point
- Hubs will help LEPs and their local authorities through the following stages:



Devolution

- We support and coordinate development and implementation of energy aspects of devo deals
- This tends to be official level input to local activity, rather than devolution of policy or funding
- 8 so far: Greater Manchester, Liverpool City Region, West Midlands, West of England, Cambridgeshire & Peterborough, Cornwall, Tees Valley. Plus North of Tyne, London, 5 DA City Deals
- ‘Devo2’ deal with WM agreed at budget 2017; TV, LCR coming next...



Produced by Local Growth Analysis,
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Ordnance Survey

Data Sources
OS Boundary - Line

Community energy

- DECC's Community Energy Strategy published 2014
- BEIS policy is to support through wider agenda e.g. FITs, HNIP and BEIS Local Energy Programme
- £15m Defra/BEIS Rural Community Energy Fund (RCEF) has been transferred to the Local Energy team
- Funding to be delivered through the 5 Local Energy Hubs



Any questions?

For any questions or to access our
Local Energy Huddle email
localenergy@beis.gov.uk