

The local government role in securing the renewal of the UK's energy infrastructure

Summary

At the Board meeting members will hear from Jim Campbell, Energy Development Director at the Department for Energy and Climate Change and David Green, Chief Executive at the UK Business Council for Sustainable Energy. They will provide an overview of government energy policy and the industry view respectively. This note provides essential background and lines of enquiry.

Recommendations

- For information, members to note report and make use of the line of enquiry suggested at paragraphs 6-7.

Action

- Officers to follow up members' comments.

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Background

1. This note covers the essential background. It also suggests some lines of enquiry that members may wish to pursue in the meeting.
2. There are 3 principal drivers for energy policy:
 - An out of date infrastructure. A number of fossil fuel and nuclear power stations are about to be de-commissioned. Overhead transmission lines date back to the 1920s. Some of the gas pipes date back to the late 1800s. The energy industry has been a low innovation sector – using technology developed in the first half of the twentieth century;
 - the response to climate change, including legal targets to reduce carbon emissions by 34% in 2020 and 80% by 2050 and an EU commitment to 20% of total energy from renewable sources by 2020, requires energy supply to come from low carbon sources;
 - growing demand for energy. The number of UK households is projected to increase to 35 million by 2050 – a 40% increase on today, alongside a 27% increase in population.
3. Until recently, the planning system was identified as a barrier to renewing our energy infrastructure. The Planning Act 2008 put in place a new regime. Essentially major energy infrastructure proposals will be determined by the Infrastructure Planning Commission to a clear timetable and process, with more emphasis on the pre-application phase and wider policy issues already determined in National Policy Statements that provide a framework for the IPC.
4. Since the Board received a briefing on the new planning arrangements from CLG:
 - government has published 7 draft National Policy Statements on major infrastructure including 6 on energy (overarching energy, renewables, gas and oil pipelines, electricity networks, nuclear and fossil fuel generation). These documents embody existing policy – from a local government perspective, the key issues are: do they allow the IPC flexibility to determine the balance between national need and adverse local impact; do they correctly identify those impacts; and how they can be mitigated. We will circulate a first draft of our response to the NPSs at the Board meeting - the closing date to respond is 22 February.
 - Developers have begun to register proposals with the IPC – a list is attached at **annex A** to this paper. The list can also be accessed here:

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<http://infrastructure.independent.gov.uk/wp-content/uploads/2009/12/ProgrammeofProjects-wc-16-nov-09.pdf>

- It includes 100 kilometres of new power lines, 4 new nuclear power stations and 5 wind farms, including one off the Lincolnshire coast.
5. Local government role has key roles in relation to energy policy:
- The LGA has campaigned, with a measure of success, for a bigger role for local government in home energy policy – we've called for the funding to be pooled and systematic area based approaches;
 - A number of energy projects will fall within the local planning frameworks where local planning rules can facilitate the deployment of renewable energy supply;
 - For projects covered by the IPC the council(s) will be integral at each stage of the process (pre-application, examination and decision and enforcement) at the heart of an axis involving the developer, the IPC and the community;
 - As a potential energy supplier or commissioner of supply, for example in relation to waste to energy plants;
 - Engaging partners and communities, for example to offer and develop the skills the energy industry needs.
6. There are a number of strategic lines of enquiry the Board may wish to follow such as:
- the merits of large scale versus community scale generation and the balance between them. Historically our electricity generation has been highly centralised with a significant loss of energy in transmission;
 - the case for investing in energy reduction measures and technologies versus investing in generation;
 - the scope for a more integrated approach to the development of infrastructure for waste, transport and energy;
 - the role of the local planning system in promoting low carbon supply;
 - the scope for harnessing waste heat from energy generation (and promoting combined heat and power).
7. The Board may also chose to focus in on how the industry and government see the role of councils in terms of the major proposals that will be determined by the IPC. Possible lines to pursue are:
- LGA concerns about the funding arrangements for council roles in the new planning regime. The current arrangements only extend to the pre-application phase and require councils and developers to enter into voluntary arrangements;
 - the key role councils will play interfacing between the developer, IPC and the local community;

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- how councils can ensure the maximum benefit to the local economy and what that means for skilling up local people. There will be particular implications for the transfer of funding for 16-19 year olds learning and education;
 - the interaction with local planning and the implications for the Local Development Frameworks.
8. Finally the LGA have produced policy papers that are relevant to this discussion:
- Kyoto to Kettering, Copenhagen to Croydon: local government's manifesto for building low carbon communities
<http://www.lga.gov.uk/lga/publications/publication-display.do?id=2399913>;
 - Creating green jobs: developing low carbon communities
<http://www.lga.gov.uk/lga/publications/publication-display.do?id=1509490>
 - An energy generating democracy
<http://www.lga.gov.uk/lga/publications/publication-display.do?id=1152161>

Financial Implications

9. None

Implications for Wales

10. A number of the proposed major developments are in Wales and the remit of the IPC extends there.

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