

## **Understanding Local Energy Governance (UNLOC)**

The UK Government expects local and community action to play a central role in the delivery of a low carbon society. This expectation is reflected in legislation (The Localism Bill) currently before the UK Parliament. This aims to decentralise 'power, money and knowledge' to local people and organisations, including elected local representatives, social enterprises and community groups.

At the same time, the sources of funding to support local action are changing dramatically. Budgets for local government are being cut as part of general austerity measures in the country. Community groups increasingly have to look to investment funding for their work, rather than the charitable grant support that they have in the past relied upon. At the same time, new sources of funding for sustainable energy investment are being developed and introduced: Feed-in-tariffs and the Renewable Heat Incentive to support small scale energy supply, and the forthcoming Green Deal for energy efficiency investments in homes, community buildings and small businesses.

### **The UNLOC project**

The UNLOC project aims to develop an improved understanding of the governance and institutional changes that will be needed to support local actors in playing a key role in the development of a low carbon economy. The research is looking at the evolving role of local government, at how the relationship between the state and non-state actors is changing, and at the financing models that may be used for future local energy action.

The role of local authorities with respect to energy action has changed considerably over the last 10 to 15 years. Energy has become more closely linked to areas very traditionally within the remit of local government, such as housing quality and land-use planning. Nevertheless, the extent to which energy action has become integrated into local government work has depended very much on the capabilities and motivation of individuals within these authorities. This situation looked likely to change when the previous administration introduced performance indicators for local government that included a measure of local area carbon emissions. However, the Coalition Government has removed these performance indicators as part of its drive towards localism, and any replacement policy drivers are as yet unknown. One of the main challenges for our work is how to deal with this state of change and uncertainty.

A key issue that the team have been considering is the tension between central government's view of the role of local actors (both state and non-state) and the similar gap between local government's view of local non-state actors and the community's view of itself. Government actors often view the community as a group that can implement their policies for them, whilst communities view themselves as groups that develop ideas of their own and would like state support for implementation. Exploring the legitimacy of state and non-state activities (how it is created and maintained, and how it is viewed by others in the community) may

provide insights into whether these two views are equally likely to produce the desired changes within local communities.

From a government perspective, there is interest in understanding how the success of individual community projects can be scaled up into nationwide action. We are exploring how community activists share information and learning, and the existing structures that facilitate this. Whether or not these existing structures could support the desired scaling up of activities, and indeed whether this would be a good thing, remain open questions.

Whether or not the decentralisation of money will be successful is also an open question at present, and something that the UNLOC team is currently researching.

Community based social enterprises responded swiftly and effectively to the opportunity offered by the Feed-in-Tariff, developing community owned resources and energy services companies to manage them, with business plans based on revenue streams from energy supply and the tariff. However, the government has recently amended the regulations governing payment of the tariff, and these changes mean that the business models developed will not be viable options for future investments.

The details of the Green Deal are still to be finalised, but prospective finance providers have indicated that large scale investment will be needed to satisfy their re-financing and risk management criteria. This seems to rule out this as a source of finance for community-led action. Some of the larger local authorities in England are intending to become Green Deal providers themselves, but the risks and levels of capital investment involved would seem to put this option beyond the reach of smaller local authorities.

### **The broader research landscape in the UK**

UNLOC is one of two projects funded by the UK Energy Research Centre to investigate aspects of local and community energy action (the other is the EnGAGE Scotland: Grassroots action and the politics of energy governance in Scotland). The UK research councils have also funded a number of other relevant ongoing research projects within an 'energy and communities' theme, and also through a joint funding venture with EDF Energy on the theme of 'People, Energy, Buildings'.

Researchers working on a range of these projects, and other academics working on community energy action, met in Oxford at the beginning of October 2011 to discuss common research insights and challenges. The range of issues being researched is illustrated by the following examples: the differential impact of community involvement in household energy saving schemes; the diffusion of community energy projects in the UK and the extent of networking between projects; the impact of community involvement and social norms on everyday home energy use behaviours; community co-design of energy reduction technologies; the drivers that mobilise communities into energy action; and low carbon innovation and energy transitions in contemporary cities.

At the event, researchers also met with policy practitioners and community activists, to discuss the key challenge of how to improve joint working in this area.

The relationship between researchers and the communities that they study is not always an easy one. Historically, the research model followed has often been to engage with communities to extract information, evaluate this information within the research team, publish results to the research community and – ideally – provide a briefing based on these to the subjects of their research. This has resulted in dissatisfaction amongst the groups studied: their time and financial resources are constrained and, in return for their collaboration, they are looking for more co-design of research and outputs that are directly useful to them.

Many of the issues being investigated by UK researchers are directly relevant to current policy developments. The Oxford meeting also considered how researchers can more effectively engage with policy makers. There is a need to provide insight in a more timely and accessible way, whilst at the same time ensuring that current policy concerns do not exert an inappropriate level of influence on research design and delivery.

Key insights from this event will be included in the presentation to the LCS-RNet meeting.