

Toolkit: a community wealth building energy transition

Part 2: getting started



Lead authors

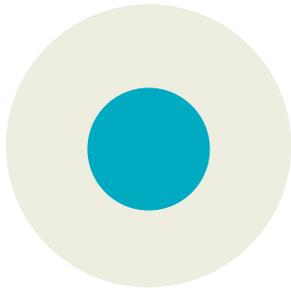
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Getting started poses questions to councils to help them identify **which elements of their energy transition approach already build community wealth** and **what they could do next.**

The questions below will help councils to understand where they currently stand with this agenda, and identify potential avenues for exploration. It is based on practice from across the community wealth building movement in the UK, and the learning gathered throughout the development of this toolkit. It includes a **checklist of good practice** - which will give a strong foundation to using a community

wealth building approach to progressing energy transition - and **two tables outlining potential action**, based on the five pillars of community wealth building and the need for community involvement and local partnerships. This field is evolving and, of course, there will be other opportunities to build community wealth in localities that have not been outlined explicitly within this toolkit.

Council checklist for a strong foundation



We understand the amount our council spends on energy, the carbon footprint of our energy consumption as a council and for the locality.



We have a community wealth building strategy.



We have a local anchor network.



We understand the need to shape our local economy to support the energy transition and to tackle environmental breakdown.



We know how many people are experiencing fuel poverty in our area and are factoring this into our plans around energy transition.



We are involving local residents who will be affected by the energy transition in our plans for the area.



We have done an audit of our land and property assets to understand their current energy efficiency, identify assets which could be used strategically to contribute to the energy transition and have a decarbonisation plan for our assets.



We know the capacity of local businesses to deliver high quality work that provides measurable improvements in carbon reduction, energy efficiency and renewable energy generation.



We are working with (depending on location) the Local Enterprise Partnership, Community Planning Partnership, Public Service Board, Growth Hub and Energy Hub to take up opportunities around the energy transition.



We understand the skills and expertise of our staff and other organisations in our area in relation to energy transition and where there are gaps.



We understand our ability to fund projects (e.g. by providing bridging loans) and the additional funding streams we can access on a local, regional and national level to support the energy transition.



SOCIALLY PRODUCTIVE USE OF LAND AND PROPERTY

1. Finding your starting point

Assess your land and property assets to establish what your portfolio looks like, what measures you need to take to decarbonise your residential and non-residential properties (such as retrofit), and how you could use your assets to generate energy.

Look at the energy assets and infrastructure you already own (such as a district energy scheme) and consider how they could have a bigger role in enabling energy transition and building community wealth.

You have a key role in monitoring the emissions of your land and property – do you have a system in place to measure the difference made to your emissions after changes made to your land and property?

You need to understand which energy interventions will work best for your place based on your surroundings, location and (for retrofit) housing stock. This includes your natural resources (e.g. using geothermal heat from water in disused mines in Gateshead - see part 3 for more information).

Have you assessed your locality's needs in relation to energy efficiency, the electrification of heat and transport, energy storage and demand-side response, to help balance the local electricity grid? These measures are as important as energy generation and have the potential to create local jobs and are also heavily connected to the work you will be doing on your own land and property.

2. Building your base

Where you have land and property available, think about how you can work with local groups and businesses to shape its use for the energy transition. Can you work with a community energy group to install renewable energy generation infrastructure on your land (with the potential to keep the infrastructure in council ownership)?

How can you connect new renewables on council land and property to other local energy infrastructure (such as a district energy scheme) to speed up decarbonisation?

Where retrofit is required on council housing and other social housing managed by registered providers, consider how you will centre energy-vulnerable clients in the design of energy-efficiency schemes on your properties. See Carbon Co-op's [Retrofit for All](#) toolkit for more information

To support efforts around retrofit, can you provide operating space for local businesses which are providing the services you need?

Consider how you can influence the wider land and property in your area. Can you work with private landlords to improve energy efficiency in the private rented sector? How can you influence the development of new houses to Passivhaus (or other) standards through your planning function (using the Planning and Energy Act 2008)? See [UK100's paper on council powers in relation to climate transition](#) for information about the powers you might have and more ideas for how you can use them to shape your local energy transition.



PROGRESSIVE PROCUREMENT

1. Finding your starting point

- ▶ You need to support the development of a local business base, creating opportunities for upskilling and entrance into local public sector supply chains.
- ▶ Start by developing a comprehensive understanding of local markets relating to the energy transition, to identify local organisations which can provide the services you need. Ensuring they can deliver quality in terms of carbon savings will be key. Ownership matters, so check for generative businesses.
- ▶ If these businesses do not exist/there are questions around quality, what support can be provided to build up local businesses so they can provide what you need?
- ▶ Have you articulated the amount you will be spending on energy transition? This could prompt local businesses to invest in the skills they will need to win new contracts. Breaking down contracts and simplifying your procurement processes can also encourage generative businesses to bid for work.
- ▶ As part of your contracts, have you built in social value or community benefit requirements which can either help local generative businesses to enter your supply chains relating to energy transition, or required contractors to contribute to the energy transition locally? Have you considered how you can use developer contributions to support your local energy transition?
- ▶ Consider who you procure energy from, and whether there are any local community energy groups you could work with to build local renewables into your energy use.
- ▶ You have a key role in monitoring contractor commitments to addressing the energy transition. Do you have robust contract management in place to ensure contractors are delivering on targets relating to the energy transition?

2. Building your base

- ▶ Connect with the local businesses and groups you've identified who can provide what you need and deliver quality in terms of carbon savings. Ensure these businesses are conscious of upcoming procurement opportunities. Where possible adapt your procurement approaches to provide opportunities for new market entrants to enter local supply chains (e.g. lotting contracts).
- ▶ You may want to bring together opportunities for upskilling, connection to public sector contracts, and funding into one model – such as a [community wealth building hub](#). This is a model that can be applied to embed community wealth building more broadly within a place, and could have a climate- or energy-specific focus.
- ▶ If you are keen to procure energy from local renewables projects, have you explored the potential of [innovative models of Power Purchase Agreements \(such as synthetic PPAs\)](#)?
- ▶ Where you are financing the development of new renewables, could you integrate a proportion of community ownership of the scheme through your procurement process? This is something that has taken hold in the Flanders region of Belgium, and could be explored in the UK.



1. Finding your starting point

Assess the local skills base in relation to delivering energy transition (such as retrofit and local expertise around district energy), and also what expertise and capacity you hold within the council. Do you have a dedicated low carbon team? How do your economic development team understand climate?

Identify which jobs and skills you will need locally to support energy transition, and where there are gaps. This should factor in the skills needed beyond construction and direct labour - different skills are needed to support energy transition, including project management, surveying, and even digital. See [information from the ONS on defining green jobs](#) for more detail.

Have you made any requirements for fair work practices and the living wage when procuring energy services or the development of energy infrastructure? Consider how you can ensure workers in these sectors have good working conditions.

2. Building your base

Do you have the local expertise you need to develop the interventions you want? If you need more expert knowledge, look to energy agencies and councils which have delivered projects successfully and see how you can draw on their experience.

After identifying which jobs and skills you need, work with local education and training providers to address any gaps and build a base for these jobs/skills in the area.

To tackle reskilling/upskilling, collaborate with local businesses and new market entrants to identify training needs and providing support to develop local entrepreneurship in this space.

Work with local teams and organisations offering employment support (e.g. council skills and employment teams, local colleges and local skills and employment advisory boards) to articulate the career paths available in this sector. Advisors can then outline pathways for people who may want to develop a career in this field, building the pool of potential employees hoping to progress into and within this sector. If you are part of a combined authority with mayoral control over the adult education budget, explore its potential to support this skills agenda.



MAKING FINANCIAL POWER WORK FOR LOCAL PLACES

1. Finding your starting point

Look at what funding you already have to support energy transition and what you need. Planning out what you need and identifying ways to raise funds will help you to see what can be raised at the local level, and where additional funding needs to be raised.

Do you have a healthy attitude to risk and financing local projects? How could you use your power as a lender locally to support the development of energy transition work that builds community wealth? You need to have a good relationship with your finance and procurement teams to bring them with you on this journey.

2. Building your base

Once you know what you need to support energy transition, build a portfolio of funding which can support you to move forward around specific projects.

Finance for feasibility studies and business case development can be hard to access – can you access grant funding to help with this stage? Have you spoken to your local district network operator to see if there is funding available?

Where you may want to use community shares or community-municipal bonds, make sure you communicate the impact the scheme you're seeking to fund will have on the local community and how they can shape it. Also consider how you could make shares accessible to those who cannot afford to pay for them, as in Eeklo, Belgium, where the council have provided 750 people in energy poverty with a pre-financed share of the citizen energy co-operative Ecopower based on the council's part-ownership of a wind turbine.

When developing your projects, factor in the potential to generate money and where it could be directed to advance energy justice and your ambitions around the energy transition (e.g. using surplus to tackle fuel poverty).



BUILDING A DEMOCRATIC ECONOMY

1. Finding your starting point

✔ You will need to establish if there is political and community buy-in for a community wealth building approach to energy transition as a starting point, and identify areas to build from to democratise your local energy system.

✔ With your understanding of the local market, you should identify where there are gaps which could be filled by generative businesses, and also where businesses may be willing to explore worker- or community-ownership.

✔ What capacity do you have as a council to support the development of generative businesses in the energy sector? Options such as allocating staff time have been used in different scenarios – how could you use your resource to push these models forward? See [Plymouth Energy Community](#) and [Oldham Community Power](#) for examples.

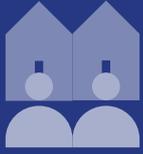
2. Building your base

✔ Where there are gaps in your local market, support the development of vehicles and businesses which support the energy transition locally. Dedicated business support which enables community wealth building could be provided to local businesses, focussing on models of ownership and connecting businesses into local anchor institution supply chains. See [here](#) for more information on community wealth hubs for business support. You will also need to look for support specific to energy, such as from [REScoop](#), your local district network operator, or other organisations which can offer support for local and community energy (such as local energy hubs and energy agencies).

✔ Some forms of business which can build community wealth include:

- Community-owned businesses (e.g. [Plymouth Energy Community](#) and [Oldham Community Power](#)).
- Businesses commissioned to deliver services that support energy transition by the council, which could be enabled to set up a local base and employ local people (e.g. Nottingham's Deep Retrofit - see Part 4 of this toolkit for more information).

✔ Council-owned or controlled businesses or services, such as Gateshead District Energy Scheme and Portsmouth City Council's Energy Services Team (see Part 3 of this toolkit for more information) are also models which can build community wealth and could be explored.



COMMUNITY INVOLVEMENT AND LOCAL PARTNERS

1. Finding your starting point

Are local communities involved in shaping your energy transition plans? Could you introduce mechanisms such as a citizens assembly, citizens jury, participatory budgeting, local energy action planning or local participatory agreements for climate transition for them to shape the local approach so that it meets their needs?

How could you work with your councillors and community-facing officers to explore the potential of community energy with local people?

Do you have an anchor institution network already working in your area? If you do, could tackling the energy transition be a unifying focus for the group? You will need to understand the work anchor institutions are doing around climate to develop a baseline from which to build.

2. Building your base

If you have introduced mechanisms for local people to shape the energy transition, make sure it is clear how they can be involved in shaping it further. This should include how they can be involved in the ownership of the approaches, organisations and methods you will use to progress local energy transition.

Once you understand what is happening at the local level among local anchor institutions, you can build from that point. Many anchors may not yet have a strategy around the energy transition – how could you work together to develop a place-based approach which seeks to build community wealth? Consider areas for collaboration to support energy transition to scale in your area and ensure that you continue to centre the needs of marginalised groups through this work.

When doing this, explore areas of synergy, the potential for joint procurement, and how you could collectively establish organisations or groups which can support energy transition across the area. Where anchors are progressing this agenda, use the network as a space to build local knowledge and share good practice.

This publication is part of a toolkit, written and produced by the Centre for Local Economic Strategies (CLES) and Carbon Co-op, with funding from the Barrow Cadbury Trust.

Part 1: Why community wealth building?

Part 2: Getting started

Part 3: Current and emerging practice

Part 4: Deep dives - Oldham, Nottingham, Birmingham

Centre for Local Economic Strategies (CLES)

Established in 1986, CLES is the national organisation for local economies - developing progressive economics for people, planet and place. We work by thinking and doing, to achieve social justice and effective public services.

www.cles.org.uk

Carbon Co-op

Carbon Co-op is an energy services and advocacy co-operative that helps people and communities to make the radical reductions in home carbon emissions necessary to avoid runaway climate change.

www.carbon.coop

Barrow Cadbury Trust

This work was kindly sponsored by Barrow Cadbury Trust. The Barrow Cadbury Trust is an independent, charitable foundation, committed to bringing about socially just change.

www.barrowcadbury.org.uk

CLES and Carbon Co-op want to thank the following individuals and local authorities for their insight throughout this project.

Mark Bramah, Climate Change and Sustainability Project Manager, Rochdale Council

Chris Common, Carbon Neutral Policy Manager, Nottingham City Council

Maria Dunn, Head of Development Policy, Birmingham City Council

Jim Gillon, Energy Services Manager, Gateshead Council

Michael Hemingway, Principal Officer Climate Change, Salford City Council

Andrew Hunt, Community Wealth Building Programme Manager, Oldham Council

Bryan Lipscombe, Sustainability Liaison Officer, Wirral Council

Julie McLachlan, Senior Manager Economic Policy, North Ayrshire Council

Gareth Williams, Energy Manager, Portsmouth City Council

Birmingham City Council

Bournemouth, Christchurch and Poole Council

Gateshead Council

Lewes District Council

Manchester City Council

North Ayrshire Council

Nottingham City Council

Oldham Council

Plymouth City Council

Portsmouth City Council

Rochdale Council

Salford City Council

Wirral Council