

Ofgem
Energy System Design and Development
RESP Team

Date: 10 March 2025

Essex County Council response to the Ofgem consultation on the draft Impact Assessment for the introduction of the RESP policy framework

Executive Summary

Essex County Council (ECC) has ambitious plans for Essex to be net zero by 2050, while also achieving the four key strategic aims as set out in our “Everyone’s Essex” organisational strategy¹ – Economy, Environment, Health & Wellbeing and Families. We welcome and encourage a move towards a new regional energy system that will be better able to meet the needs of our residents and businesses, within a more effective policy framework to support net zero delivery.

The plans for RESPs match our own ambitions to support a whole-system, place-based, and vision-led approach to decarbonization and energy planning. It is important to note that this approach can ensure a fair and just transition to a low carbon future, where no one is left behind and all our communities can benefit. We strongly encourage any move to regional energy planning to include meaningful policies and ambitions that support a just transition.

It is our strong belief that local government has an important role to play as a strategic partner in planning investments and improvements in our energy system. We, along with our District and Borough Council colleagues, have a deep understanding of our local priorities and communities. We are best placed to support decision-making on investment priorities in our region. However, as net zero and energy planning are not statutory duties, governance structures around these issues can be disjointed and sub-optimal, especially as local government budgets are already stretched. For RESPs to deliver on their ambitions, local

¹ [Everyone's Essex | Essex County Council](#)

authorities at all tiers and levels will need to be resourced appropriately. If they are not, there is a very real danger that the RESPs will be hamstrung and unable to meet objectives.

Responses to the questions set in the draft Impact Assessment document

Q1: Do you agree that we have, to a reasonable extent, identified and understood the potential impacts of the introduction of the RESP?

While we recognise the size of the task and the work already done to understand the impact of the RESP, we feel that more careful consideration of the impacts on Local Authorities is required to recognise and acknowledge the very acute resourcing pressures that face local government.

The RESP policy framework requires Local Authorities to play a significant role, and the ultimate success of RESPs will depend heavily on our ability to deliver. While we agree entirely with the rationale for this (Local Authorities are indeed best placed to support and inform strategic energy planning in this way) we strongly encourage deeper assessment on the impacts on Local Authorities, both from a functional perspective as well as from a resourcing perspective.

There seems to be a lack of alignment between the key role being asked of Local Authorities and the recognition of what it will take to deliver that work – both capacity and capability. The draft Impact Assessment fails to estimate or identify costs for local authorities in engaging with and supporting the delivery of RESP in a meaningful way, although Ofgem and NESO have identified that Local Authorities are key to the effective delivery of RESP. The costs of engagement within and between Local Authorities to ensure that representatives on the Regional Strategic Boards have appropriate and sufficient information regarding growth zones, decarbonisation, and housing growth/ new towns, to properly shape the RESP outputs, will be significant.

Given the experience of Local Authorities in the operation of bodies such as Local Waste Partnerships and Strategic Transport Partnerships, we think more work could be done to estimate the potential costs to Local Authorities of participation in RESP. This could inform Ofgem's consideration of these costs and establish a potential route to cost recovery.

In paragraph 3.41 (p.31) of the draft Impact Assessment, it is briefly mentioned that the introduction of the RESP “could also potentially increase costs” for Local Authorities. We feel this is a significant underestimation of the position; it is undoubtedly the case that local government will have increased costs and additional financial and resource needs, in what is already an environment of significantly constrained resources for Local Authorities. In addition, local government will need to build some sector knowledge and capability in order

to meaningfully engage with the energy sector and the RESP. **These are additional burdens that must be properly resourced.**

We will certainly feel this stretch on our resources as Essex County Council, but it will be felt even more acutely by our District, Borough and City Council colleagues in our region. It should also be noted that much of local government, including in Essex, is engaging in the devolution and local government reform programme. This is a critical and strategic focus of work for ECC for the near term and will place additional constraints on resources that must be recognised. Therefore, it is imperative that we are appropriately resourced so we can meet expectations.

We also point to a recent report by the National Infrastructure Commission, titled “Electricity distribution networks: Creating capacity for the future” (which can be accessed here <https://nic.org.uk/app/uploads/Electricity-Distribution-Networks-report-21-Feb-2025.pdf>)

On p.16 of that report, the NIC makes clear that:

“It is critical that the roles and responsibilities of all parties involved in the development of Regional Energy Strategic Plans are clear and resourced appropriately. In particular, local authorities must be able to input into their development meaningfully so that regional plans take appropriate account of local plans and priorities. Support will need to be given to local authorities with relatively lower capacity and capability to ensure regional plans have democratic accountability.”

In addition, Recommendation 4 states:

“Ofgem and the National Energy System Operator should develop structured ways for local authorities and other local stakeholders to input into the Regional Energy Strategic Plans.

- The National Energy System Operator should proceed with plans to make tools and advice available to local stakeholders to support their planning role. Government should also assess what additional capacity and capability is required for local authorities to engage meaningfully with the process and provide the necessary financial support for them to do so.*
- Local authorities must have structured mechanisms to input meaningfully into Regional Energy Strategic Plans, even if they are not on the strategic board or have not completed a formal local energy plan.”*

The report also states that current local authority engagement with DNOs can be “inconsistent” and that it is “highly dependent on resource”. It will be a significant error and a failure for democratic accountability if ultimately Local Authority engagement with RESP is inconsistent and hindered due to lack of resource. The RESP framework will ask much more of Local Authorities, and more consideration is needed to understand the appropriate resources required for effective delivery.

Q2: Do you agree that we have, to a reasonable extent, captured and understood the potential impacts of the introduction of the RESP on different stakeholders, including persons engaged in the generation, transmission, distribution or supply of electricity, as well as consumers?

We recognise the positive intention and the work done to capture the impacts on all stakeholders. We feel that we can only comment on the impact to us as an upper tier Local Authority (and more widely to the local government sector in our region), which we lay out in our response to the question above. In that regard, we do not agree that the potential impacts of the RESP have been understood.

Q3: Has anything in this draft IA changed your views/response to our July 2024 RESP policy framework consultation? If so, please explain what part of your response/view has changed and the reasons why.

No. While we have some reservations about the impact that RESPs will have on Local Authorities, we are firm in our commitment to and support of the RESP framework and its ability to drive the changes we need to decarbonise our energy systems.

ECC welcomes this programme and greater involvement in energy planning, and we look forward to working constructively to deliver the energy system of the future in our region.

Q4: Do you agree that we have, to a reasonable extent, identified and understood all the potential costs of implementing the RESP?

Please see our response to Q1 above – we feel that there are significant costs to Local Authorities that have not been identified or understood.

Q5: Have we, as accurately as possible, identified and understood all the potential benefits of implementing the RESP?

We feel that the benefits have been well identified and understood.

It is mentioned that there are “hard to quantify benefits”, and we agree that there will be a host of indirect benefits. Perhaps more work could be done on expressing these benefits, or research commissioned to better understand the potential socio-economic benefits of forward planning investment to unlock growth and enable residents to benefit from the energy transition. It may be that these indirect benefits are most relevant to our residents and businesses, so they could be vital to foster community participation and buy-in.

In paragraph 4.2 (p.34), it states that success (i.e. realisation of the potential benefits) will depend not only on the introduction of the RESP but also of “other reforms to governance such as the introduction of the Market Facilitator role and wider strategic planning”. We firmly agree with this sentiment and would further encourage policy(ies) to support local supply models and develop local energy markets. We note that there are policy changes in process currently regarding these issues, as well as positive progress on GB Energy and the Local Power Plan, and we encourage more work of this kind to provide the right overall policy framework and scaffolding to allow regional markets to flourish.

We can see our European neighbours have more mature local energy markets and services that play a leading role in their decarbonisation journeys. It is our firm belief that this is primarily due to the more supportive policy environment in Europe (both EU-wide as well as nationally, e.g. Germany and Denmark). Our local partners and stakeholders here in Essex are just as skilled, entrepreneurial and ambitious as our European neighbours – the difference is the ability to share and sell energy locally, and the business models and revenue stability that this offers.

Q6: Are there any unintended consequences of implementing RESP that we have not identified?

As mentioned in our responses above, we feel that the increased resource pressure on Local Authorities has not been fully identified and understood. We also think that LAEP’s may need to be updated, and therefore extra budget will be required sooner than expected, considering changes made to the energy system because of the RESP. More consideration could be given to the impact of this work on LAEPs.

Yours sincerely,

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