



Working on the System: Energy as a place leadership test case

Session Two





1. Executive summary

The second PACE session used energy as the theme to explore systems leadership in practice. It highlighted that access to reliable and sustainable energy has become central to growth, housing, equity, resilience, investment and public trust. However, local authority governance and commercial models have not always kept pace with changes in the energy system.

The main message was clear: place directors do not need to become energy experts. They need to understand where they can influence outcomes, build stronger relationships with energy leaders and stay informed about emerging technology. The closing discussion also highlighted adaptation and resilience, vested interests, public engagement, and the language used to explain and market energy change.



2. Key themes and messages

- **Opportunities and influence:** New development creates clearer opportunities to link energy infrastructure with housing and economic growth than adapting existing properties. Place directors need to understand where they can influence these decisions and secure local benefits.
- **Relationships and systems leadership:** Place directors need stronger relationships with energy leaders, network operators, investors, developers and communities so they can work across the system rather than respond after decisions have been made.
- **AI and emerging technology:** Rapid change in AI, data centres, smart systems and household technology means place directors need to stay informed about what is coming and understand the implications for local energy and water demand.
- **Adaptation and resilience:** Changing supply and demand, infrastructure constraints and the political agenda require places to plan for resilience as well as decarbonisation.
- **Vested interests and influence:** Regulatory, political and commercial interests shape decisions. Place directors need to understand who influences outcomes, what drives those interests and where value is retained.
- **Public engagement:** Trust depend on deciding who should engage the public, when engagement should begin and how communities can influence decisions.
- **Language and framing:** Energy needs to be explained through clear local benefits, including lower bills, warmer homes, jobs and resilience, rather than technical language alone.



3. Session purpose and framing

3.1 Using energy as the system test case

The session defined a system as organisations and individuals whose decisions, incentives, assets, behaviours and rules shaped outcomes. Energy provided a useful test case because it affected housing growth, economic development, climate action, resilience, finance, technology and fairness.

3.2 Exploring the role of place leadership

From this starting point, the day examined the outcomes places wanted, the organisations that influenced them, the incentives behind decisions and the barriers to progress. Speakers and participants considered how local authorities could work with energy providers, investors, communities, anchor institutions and developers to create resilient, investable local energy systems.



4. Repositioning energy as a core place-shaping issue

4.1 Moving energy into mainstream place leadership

This systems perspective challenged the way place directors have often treated energy as outside their core work. Energy capacity affects new homes, industrial growth, data centres, fleet electrification, heat networks, public estate decarbonisation and economic resilience.

4.2 Linking capacity, cost and control to local outcomes

Places cannot support strong economies, healthy communities or new investment without affordable, reliable energy. Infrastructure therefore has to be considered alongside land, transport and finance. The question is no longer whether energy belongs on the place agenda, but how it should shape local priorities.



5. Linking opportunities, influence and outcomes

5.1 Linking energy and new development

The closing discussion identified new development as a clear opportunity to link energy infrastructure with housing and economic growth. Places can plan energy generation, networks, heat, transport and buildings together from the outset, which is easier than retrofitting existing property and infrastructure. Place directors still need to define the local outcomes they want and use their influence through planning, land, partnerships and investment decisions to secure them.

5.2 Framing and marketing energy change

Participants also questioned how energy was described and marketed. Technical terms such as 'energy transition' for example can distance the public from the issue. A clearer case focused on visible local benefits: affordable homes, lower bills, secure jobs, reliable services, resilience and investment. The language needs to explain who benefits, who pays and what changes for communities.



6. Building investable pipelines through cashflow and governance

6.1 Understanding vested interests and investor requirements

Turning these ambitions into investable proposals requires place directors to understand both investor requirements and the interests shaping the wider system. Regulatory, political and commercial interests influence which projects progress, who carries risk and where value is retained. Funders need contracted income, clear risk allocation and credible governance. Local authorities therefore need to map influence and bring commercial input in from the outset.

6.2 Creating programmes rather than isolated projects

Speakers contrasted single schemes with investable programmes. One rooftop solar project, retrofit scheme or depot upgrade was unlikely to absorb transaction costs or attract tailored finance. A pipeline spanning council estates, housing, highways, fleet, health, education and anchor institutions offers a far stronger proposition. The council's own energy demand also gives funders confidence in long-term use and repayment.

6.3 Preparing local authorities before going to market

Delivery depended on practical preparation. Local authorities need to resolve land ownership, grid connections, accounting treatment, procurement, subsidy control, officer capacity, member approval and cross-party governance. Finance, property, legal, commercial and place teams need to work together early, rather than pass projects between services after key decisions have been made.



7. Leading local energy systems across organisational boundaries

7.1 Convening the system through place leadership

Creating an investable programme requires coordinated leadership; no single organisation controls every part of the system. Energy shares many features with other place leadership challenges: organisations hold different incentives, risks and responsibilities. Place directors can add value by bringing the right people together, linking housing, transport, planning, property and economic development, and turning shared ambitions into delivery.

7.2 Building relationships with energy leaders

Participants have strong relationships in planning, highways, regeneration and development, but less links with energy leaders, energy companies, distribution network operators, investors and technology providers. A systems approach requires place directors to build these relationships before projects reach a decision point, so they can understand emerging constraints, influence priorities and connect energy planning with devolution, Regional Energy Strategic Plans (RESPs) and local growth.



8. Preparing for technology, adaptation and public engagement

8.1 Staying informed about AI and emerging technology

The pace of technological change created a clear leadership challenge. AI and data centres are increasing demand for energy and water, while smart local energy systems, batteries, heat pumps, electric vehicles, vehicle-to-grid and other technologies are changing how energy is generated, managed and used. Place leaders need to stay informed about future developments so they can anticipate infrastructure demands, investment models and local impacts.

8.2 Building resilience and engaging the public

Adaptation and resilience are closely linked to changing supply and demand, infrastructure constraints and the political agenda. Proven technology and potential savings do not guarantee public support or adoption. Participants asked who should engage communities, when engagement should begin and how public interests would shape decisions. Residents and landlords could still be concerned about disruption, cost, responsibility, lifespan, debt, installation and reliability. Clear information, credible messengers and practical support are therefore essential.



9. Tailoring delivery to rural, urban and existing communities

9.1 Tailoring models to local context

The conditions for adoption also vary by place. Urban, rural and mixed areas face different constraints and opportunities. Rural places often have lower demand density, longer infrastructure distances and greater landscape concerns, but stronger community networks can support local ownership. Urban areas offer scale and concentrated demand, although fragmented ownership and more complex infrastructure potentially make coordination more difficult.

9.2 Tackling the challenge of existing stock

New development allow energy systems to be designed in from the outset. Existing homes, estates and infrastructure are more difficult. Barriers include older housing stock, absentee landlords, fuel poverty, limited incentives, disruption, restricted household finance and support spread across separate retrofit schemes. New development can support existing communities through local generation, shared infrastructure and community benefit arrangements.



10. Visiting the Keele Smart Energy Network Demonstrator

10.1 Seeing systems-thinking in practice

The afternoon visit to the Keele Smart Energy Network Demonstrator provided a practical example of how these principles worked together. Participants saw generation, storage, buildings, infrastructure and users managed as one local system rather than as separate projects.

Professor David Healey explained that the Demonstrator had been created to test the technical, commercial and governance arrangements required for Smart Local Energy Systems. Keele's campus offered a useful setting because it operates like a small town, with academic buildings, student accommodation and commercial facilities connected through a privately managed energy network.

10.2 Demonstrating the potential of a Smart Local Energy System

The visit showed that local energy systems can deliver more than carbon savings. Coordinating generation, storage, heat, buildings and demand can reduce costs, strengthen resilience and keep more economic and social value within the area. Data and digital controls also support better decisions about energy flows and infrastructure use.

Integrating different demand profiles creates opportunities to use capacity more effectively and align investment with local priorities. The visit also showed that many constraints resulted from fragmented governance and disconnected decisions, not from the technology itself.

10.3 Connecting the visit to the wider discussion

The visit connected the day's main themes. Energy affects growth, housing, resilience, investment, public services and community wellbeing. Keele showed why places needed clear outcomes, coordinated programmes and governance that align organisations with different interests and responsibilities.

The Demonstrator also clarified the role of place directors. They need enough knowledge to understand the system, identify where influence sat and bring the right partners together. This enables them to connect technical and commercial decisions while keeping local priorities in view.

11. Applying the lessons to place leadership

11.1 Looking up and out before selecting solutions

Drawing on the visit and the closing discussion, place directors were asked to “look up and out” before moving into delivery. They need to identify opportunities, understand who influences outcomes and what interests drives them, build relationships with energy leaders, and stay informed about technology, supply and demand. They also need to decide how the council will engage the public and whether it was acting as owner, convenor, commissioner, policy-maker, market-shaper or advocate.

11.2 Building capability across the organisation

Energy cannot remain the responsibility of climate teams or individual specialists. Decisions by finance, property, legal, housing, transport, social care, children’s services, planning, fleet, waste and economic development all affect energy demand and infrastructure. Practical training, shared case studies and cross-service discussions will help make energy part of mainstream place leadership.

11.3 Securing a durable political mandate

Participants agreed that local politicians need to engage more closely with energy, providing the case focused on shared priorities: lower bills, better homes, resilience, local jobs, health, economic opportunity and community benefit. Political backing also reassures investors that a programme would survive an election or change of administration.



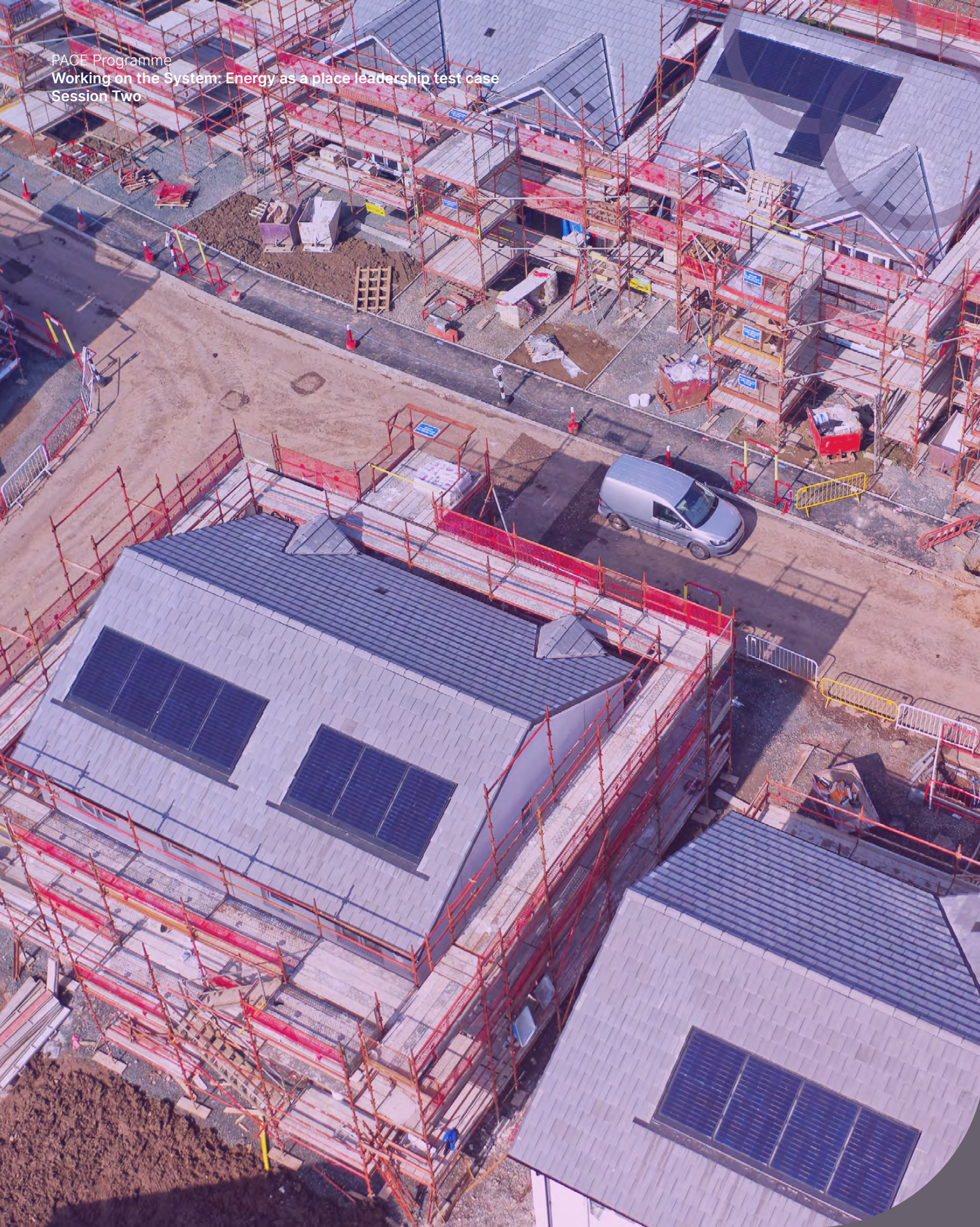
12. Conclusion

Energy provided an excellent case study of how place directors can work across complex systems. The closing discussion identified a clear set of priorities: link energy with new development, understand where influence and vested interests sat, build stronger relationships with energy leaders, stay informed about emerging technology, plan for adaptation and resilience, and improve public engagement.

The Keele Smart Energy Network Demonstrator brought this sequence to life. It showed how infrastructure, investment, governance, technology and community outcomes could be coordinated within one place-based system.

The central implication was that place directors do not need to become technical energy experts. They need to understand the system, anticipate change, build the right relationships and explain energy choices in terms that communities understood. This will help them influence decisions, protect public value and prepare their places for changing supply, demand and technology.







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The place leaders' Pioneering, Action-orientated, Creative and Entrepreneurial (PACE) programme is a joint venture from ADEPT and Amey. Launched in 2023, the PACE Programme aims to create space for senior place leaders to find strategic solutions to the wicked issues facing the public sector.

Designed exclusively for place directors and senior leadership, two of the fundamental principles behind PACE is to influence the future of place-focused strategies and support place leaders in driving change.

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