

The local climate challenge

A new partnership approach



green
alliance...



The local climate challenge

A new partnership approach

By **Philippa Borrowman, Ravina Singh and Roz Bulleid**

Acknowledgements

Thanks to our advisory panel, including representatives from the following organisations: Greater Manchester Combined Authority, Bristol City Council, Oxford City Council, Kent County Council, Birmingham City Council and South Gloucestershire Council. We would also like to thank the 12 local authority representatives who we interviewed and have quoted anonymously throughout the report.

We are grateful to the Friends Provident Foundation for supporting this work.



Green Alliance

Green Alliance is an independent think tank and charity focused on ambitious leadership for the environment. Since 1979, we have been working with the most influential leaders in business, NGOs and politics to accelerate political action and create transformative policy for a green and prosperous UK.

Green Alliance
11 Belgrave Road,
London, SW1V 1RB
020 7233 7433
ga@green-alliance.org.uk
www.green-alliance.org.uk
blog: greenallianceblog.org.uk
twitter: @GreenAllianceUK

The Green Alliance Trust
Registered charity no. 1045395
Company limited by guarantee
(England and Wales) no. 3037633
Registered at the above address

Published by Green Alliance,
December 2020

ISBN 978-1-912393-40-4

Designed by Howdy

© Green Alliance, 2020

Green Alliance's work is licensed under a Creative Commons Attribution-NonCommercial-No derivative works 3.0 unported licence. This does not replace copyright but gives certain rights without having to ask Green Alliance for permission.

Under this licence, our work may be shared freely. This provides the freedom to copy, distribute and transmit this work on to others, provided Green Alliance is credited as the author and text is unaltered. This work must not be resold or used for commercial purposes. These conditions can be waived under certain circumstances with the written permission of Green Alliance. For more information about this licence go to <http://creativecommons.org/licenses/by-nc-nd/3.0/>



creative commons

Summary

“Local authorities are vital partners for national government in tailoring and progressing climate policy.”

Being at the heart of local communities, local authorities have an important role in action on climate change. They can exercise influence through transport and planning policy, and the management of land and buildings they own. Just as importantly, they understand their local communities, environments and businesses, so they are vital partners for national government in tailoring and progressing climate policy.

As pressure from the public to act on the climate crisis has risen over the past couple of years, elected leaders and council administrators have signalled that they are ready for this responsibility. Over 75 per cent of English councils have already declared climate emergencies. The majority of these have set targets for their local areas, and most are more ambitious than the national target of reaching net zero carbon by 2050.¹

But a number of factors in play, even before the Covid-19 pandemic struck, have left councils unable to bring about the transformation these declarations aspire to. Without more expertise, funding and an enabling central government framework, they cannot begin to make the changes they want to, and consequently they are missing out on the local economic and social opportunities of doing so.

The UK political system is one of the most centralised in Europe. But there is now a chance for planned reforms to local government to empower community leaders and give them the capacity to address the climate crisis in a way that is appropriate to their local circumstances.

For this report we worked with an advisory panel of six local authorities leading on climate action, focusing particularly on transport and housing policy. In addition to seeking their advice, we conducted anonymous interviews with another 12 representatives from a wider range of authorities that have declared climate emergencies, to get a broader perspective on some of the structural issues affecting local efforts to move to a low carbon economy.

What is clear from our investigation is that the chance to address climate change effectively and rebuild local economies fit for future is in danger of being missed.

Therefore, we recommend a new policy framework setting out expectations for all levels of government and including ways to overcome current barriers to decarbonisation. This should form an essential baseline for local action.

As a start, this enabling framework should also include:

Agreed methodology to monitor and report emissions under local authorities' direct control.

A single point of contact within central government focused on local authority decarbonisation.

A strategic approach to addressing in-house skills gaps within local authorities and a new national green skills strategy.

Sufficient and stable funding to allow councils to plan ahead and prevent environmental imperatives being deprioritised.

Reforms to the planning system that put sustainable housing and transport at their heart.

Introduction

By autumn 2020, over 75 per cent of councils and combined authorities in England had declared climate emergencies, with most also setting targets for their area to meet a net zero carbon goal, the majority by 2030.²

This huge signal of intent from across the country would have been hard to imagine just two years before, when the first local climate emergency was declared by Bristol City Council in late 2018.

Green Alliance worked closely with six local authorities (listed at the front of this report) who are at the forefront of local efforts to address climate change, to understand the measures they are putting in place and the challenges they face. We also discussed potential solutions with them.

“We’ve got the transport people involved. We’ve got the hospital involved and we’ve got representatives from our port in there, as well as groups like Friends of the Earth and Extinction Rebellion, they’re included too.”

In our discussions with local authorities we focused particularly on housing and transport, areas where decarbonisation efforts have to increase and where local authorities can play a central role. We have highlighted some of the issues directly related to these sectors through the report. While cutting emissions from the power sector has had little impact on most people, the changes needed to buildings and transport will affect people’s daily lives and are location specific. Local authorities will be important mediators and co-ordinators in this process.

To further inform our study and get a wider geographical perspective, we also conducted interviews with representatives from 12 other local authorities, some at a much earlier stage in the journey of mapping and reducing local emissions. These interviews were conducted anonymously so participants would be comfortable discussing some of the broader structural challenges they are experiencing. The interviewees were from authorities located all around England, and varied in size, tier of council and degree of urbanisation. Their voices are featured in quotes throughout this report.

Despite the many inevitable challenges of meeting local climate targets, the local authority representatives we spoke to all revealed an extraordinary level of devotion to tackling the climate crisis, even in the absence of a statutory duty to do so.

The local context



The jobs opportunity

Green Alliance research last year found that most areas were only just beginning to consider the impact climate change would have on their local economies.³ The Covid-19 crisis has drawn attention and resources away from climate change in councils. But it has also highlighted the need to increase the resilience of local infrastructure and improve employment opportunities, including the creation of low carbon jobs.

The pandemic is causing job losses on a wide scale across the country. Over the long term, around 28,000 jobs could be lost in the coal, oil and gas industries in the North of England by 2030 as the UK moves to low carbon power.⁴ But it is also estimated that, in the same timescale, new low carbon energy related jobs in this region could employ nearly 46,000 with the right policy framework.⁵

There are similar threats and opportunities in the automotive industry, as international markets move towards electric vehicles. Around 87 per cent of UK automotive sector jobs have the potential to switch rapidly to producing electric vehicles, which is significant as transport manufacturing is disproportionately located in areas of lower regional economic performance.⁶

Meanwhile, in the housing sector, estimates suggest a national programme to retrofit every home to meet energy rating EPC C by 2030 would sustain 108,000 new jobs annually, with economic benefits possible across the country.⁷ Those areas hit hardest by the pandemic, with high unemployment and levels of fuel poverty, could particularly benefit.⁸

“We would probably need a capacity of about 18 or 19 people within the organisation just to deal with the plan...but if you rolled out things like retrofit, if you rolled out various initiatives that are under the plan, you’re quickly into the tens and tens of people. But that’s what we say about economic benefits, that’s the whole point. Imagine the skills agenda, skilling up everybody to deliver retrofit programmes at scale. What a fantastic opportunity for young people and local builders.”

Scope of influence

Lack of clarity in the way responsibilities are divided up between councils and central government makes it impossible to draw a line around which emissions are within a council's control. Most local authorities first aim to tackle their own emissions but, even in this case, some lack the data they need to plan and measure their progress.⁹

Councils do have direct responsibility over emissions in some sectors, such as social housing, where they own 38 per cent of England's stock. And some councils deliver waste, transport and planning services and regulate industrial and commercial activities which all have a bearing on emissions.¹⁰

The value of councils' soft influence should not be underestimated. Local residents' trust in their local authorities is four times higher than their trust in central government on locally relevant decisions. This means local authorities are in a better position to drive changes through their close ties with communities, education providers, businesses and others.¹¹

The degree to which responsibilities are shared means there is not a clear figure for the percentage of national emissions that local authorities are responsible for. The two most quoted figures are 40 per cent or 80 per cent of UK emissions; the first dates from 2012 when emissions were distributed differently across the economy, the higher figure is based on the much looser interpretation of influence, used in government data collection.^{12,13} As we illustrate below, even within transport and housing, over which local authorities do have direct influence, powers only cover certain areas and vary between different levels of local government.

A better estimate of the extent of local authorities' reach would be to establish what should be expected of them. This would also give the government a clearer picture of how to support local action to meet the national net zero carbon goal by 2050.

Local influence on transport

Domestic transport was the most polluting sector in the UK in 2019. It was responsible for a third of all UK carbon dioxide emissions, a proportion which has increased since 1990 as emissions from the power sector have fallen.¹⁴ With the exception of district councils, local authorities are involved in local transport planning, provision and maintenance of non-trunk roads, and planning and delivery of parts of the public transport system. Central government is responsible for the wider policy framework, including the regulation of vehicles, taxation and, in most areas, public transport policies. Bus routes are overseen by transport commissioners, with limited local authority powers to direct where they should run. Rail services are largely managed centrally.

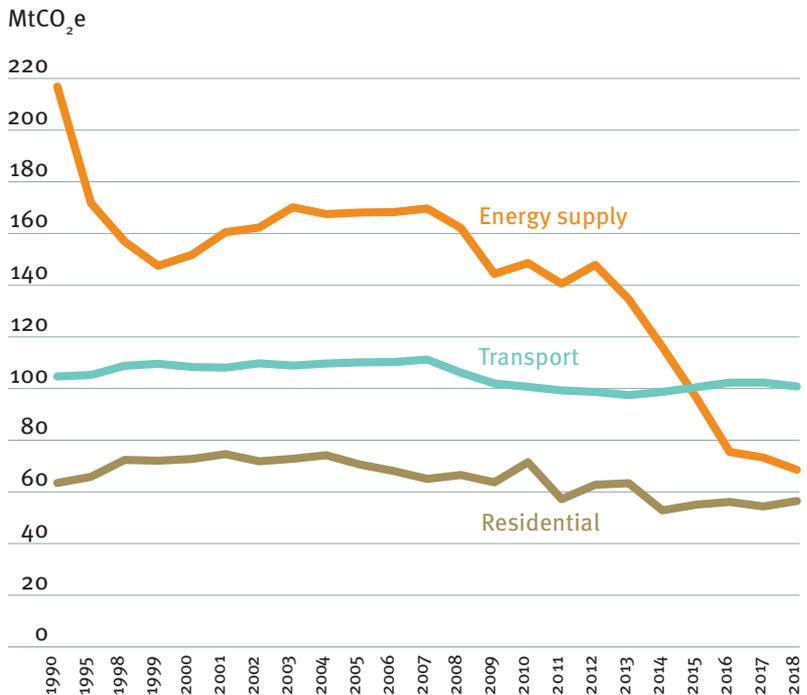
Local influence on housing

Greenhouse gas emissions from dwellings in England have only fallen by around 15 per cent in the past decade. The government has an ambition to retrofit all homes to reach energy rating EPC band C or above by 2035. But only around 30 per cent of homes are currently at this level so this will be a stretching target to meet.¹⁵ Furthermore, even if EPC C is reached it will not be sufficient for housing to play its full part in meeting the net zero goal.

District, borough and unitary councils are responsible for local planning and building standards, and the delivery of housing targets, but within a framework set by national government. Local authorities have been discouraged from setting more stringent requirements for house builders in their areas and have been encouraged to focus on housebuilding targets in preference to other issues. Similarly, the refurbishment of existing housing, beyond that still owned by local authorities, is largely dependent on central government policy and funding.

Emissions from housing and transport in England are not falling fast enough

Greenhouse gas emissions from residential property, energy supply and transport in England, 1990-2018¹⁶



Ability to meet targets

Local authorities are already seeing the impacts of climate change on their local communities. For some, this was the trigger for declaring a climate emergency. One interviewee reported that local flooding had been so bad that people were travelling along local roads by boat which “starts to bring it much closer to home”. Another described the cross party support for their climate emergency due to concerns that “if we get two degrees of warming, hot days are going to be the norm, and goodness knows what a [really] hot day or a cold day are going to be like, or a wet day. That was the driver.”

“Unless we get more funding and more powers and there’s a genuine appetite from government, it’ll be almost impossible for local authorities to meet their own targets.”

However, asked whether they thought their councils would meet their targets, most of our interviewees thought it would be unlikely. “No, absolutely not,” one said. “Forget rhetoric, it’s reality. Something’s got to change to achieve it.” Among the rest, declaring an emergency was generally seen as a political statement and not something that could realistically be met within current budgets. There was some uncertainty as to what the eventual outcome of the declarations would be. The reason for this is that so much is out of local authorities’ control, both in terms of the levers they have to reduce emissions and their ability to act.

Some of the broad challenges holding local authorities back will be explored further in the next section, with a particular focus on transport and housing.

“Some of us wanted the more pragmatic approach, which was maybe a later target date. We know that 2030 is very, very difficult unless we get a significant amount of funding and resources.”

Barriers to local action



Lack of capacity and expertise

Properly addressing climate change at the local level will require knowledge and action across all council activities, as well as skilled and empowered central co-ordinators, and local people and businesses that can implement policies. The lack of these was one of the biggest concerns for the councils we spoke to.

For some, even having the staff available to instigate a climate strategy and roll it out to other departments is a challenge; one interviewee noted that some of their neighbouring local authorities did not have a single sustainability post.

“One of the challenges was we’ve always said our environment credentials are super important but we found it quite difficult with austerity and having to cut left right and centre,” said one, “our ambition was to be green but, in practice, it was getting more and more difficult because we were having to cut all the non-statutory services. One of the first challenges was as simple as convincing my colleagues that we would protect our very, very, very small sustainability team of two officers and that, if we cut that team, it would be very, very difficult then to bring them back.”

“Our vision is not to have a small army of people working on climate change, but to have everybody across the authority tooled up with the skills and knowledge needed. It’s fair to say we’re in the foothills of that journey.”

Beyond local authority staff, upskilling the construction sector is a particular priority. Just delivering the Committee on Climate Change’s recommendation of installing 19 million heat pumps a year by 2050 to decarbonise domestic heating will require considerable increases in the number of heat pump installers annually, reaching a 40 fold increase from a 2020 baseline by 2035.¹⁷ “There’s always a lag as well, in terms of people’s ability to take on board new technology,” one interviewee told us. “It took about ten years for gas installers to recommend gas condensing boilers.”

To overcome this, one interviewee was working with local colleges to train up young people by pairing unused council properties with construction students and allowing them to learn how to retrofit properties in a practical setting. And, in Birmingham, West Midlands Combined Authority is helping to support the development of a 1,150 home neighbourhood of sustainable buildings using offsite construction methods. This is leading to new training courses and apprenticeships alongside new jobs.¹⁸

Squeezed budgets

Cuts in central government funding, council tax freezes and other rule changes have reduced the net spend per person by councils by 23 per cent over the past decade.¹⁹ The need to protect adult and child social care has meant services related to climate and the environment have seen much more substantial reductions. The pandemic has only exacerbated the situation, putting some councils on the brink of bankruptcy.

“For me, the reality is, we ain’t got any money to do this, we’re trying to find different ways of doing it, but the government can make a big difference with a little bit of help.”

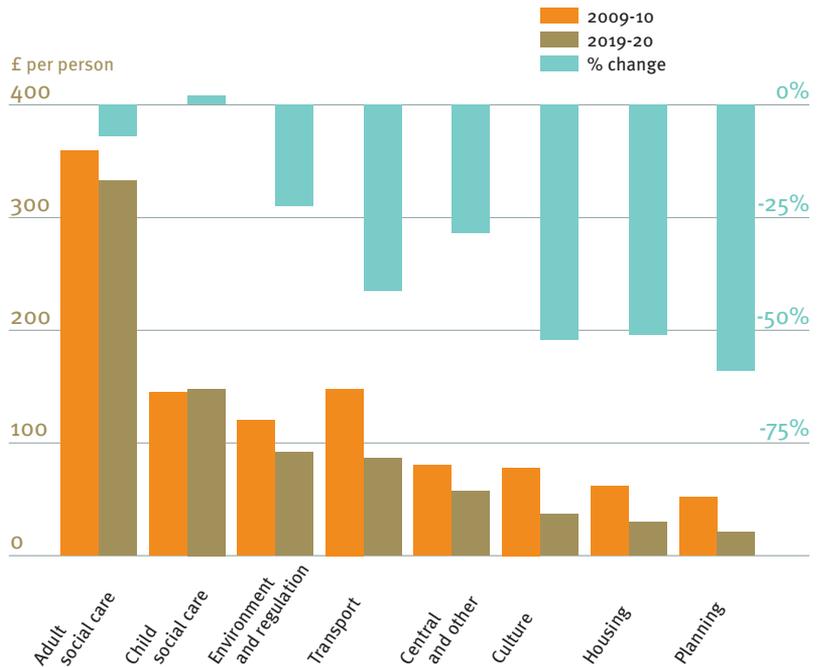
Some local authorities are seeking new sources of income. For instance, Warwick District Council was due to hold a referendum on increasing council tax to meet its climate emergency target before the coronavirus crisis, and a group of London authorities have used tax increment financing, essentially borrowing against future tax revenues, to finance infrastructure improvements. Others, including one of our interviewees, are considering new private-public partnerships and a few councils have used local crowdfunding arranged by the Abundance funding platform. However, these approaches require upfront skills, resources and political confidence not available to all. As one local authority representative told us: “financial instruments are tricky. It just feels slightly alien to me and my small team.”

Several of the councils we spoke to had costed their full climate emergency plans, with others working out costs on an ongoing basis, but it was clear that current funding patterns and practices are not sufficient. “We can afford to do 25 per cent, 35 per cent, of it”, one respondent said. Another explained that they had fully costed their net zero plans at around £1.5 billion, equivalent to their entire discretionary spend up until 2030. One council without a fully costed plan felt a project by project basis “might be more palatable to members... rather than terrifying them by saying it’s going to cost £50 million”.

“We are dependent on what we get from the government and for over a decade now it’s been reduced funding we’ve been getting... We’ve had to do more with less.”

Spending has fallen significantly in all areas relevant to climate action

Local government net spending per person by service, and change per service²⁰



Small transport budgets

While there are specialised funds available to support local authorities in developing sustainable transport solutions, budgets have generally been small compared to road and rail funding. Funds are time limited, making the amount inappropriate for some uses and councils have to put considerable time and effort into bidding for them.

Buses

The bus network does not function as it should to support the decarbonisation of transport, with a poorly managed system leading to long term decline. Largely run on a commercial basis, nearly 60 per cent of bus funding came from fares before the pandemic.²¹ Local authorities can support socially valuable bus services where they are not commercially viable but have been increasingly forced to cut their spending. Some central government funding to compensate bus companies for concessionary travel is directed through local authorities but this does not always match expenditure, which risks a deficit, and other dedicated funding sources are not consistently available. There have been regular calls for a new approach to bus funding to try and address declines in services and, in February, the government committed to a review. Additional funding has been made available to

support bus services during the pandemic. It has been estimated that withdrawing this too soon might cut bus mileage by more than 30 per cent.²² Once services are lost they will be hard to recover.

Walking and cycling

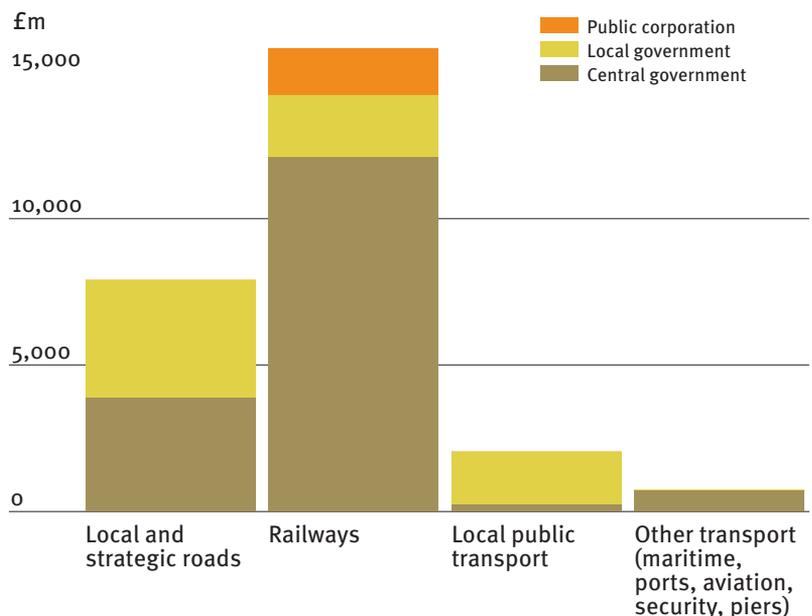
Annual local authority spending per person on walking and cycling had hovered at £6 per head in the four years before the pandemic and total public spend was not even tracked in official statistics (see below). However, the government’s enthusiasm for supporting walking and cycling during the pandemic could be transformative. Much of the £2 billion now being directed towards active travel is being funnelled via local authorities and is a four-fold increase in ringfenced funding for England. Previously, funding came from a range of ringfenced and non-ringfenced sources.^{23,24} Nonetheless, this amount would need to be committed across the UK every year to reach the funding levels achieved in other countries like the Netherlands.²⁵

Electric vehicles

Accessing funding for installing electric vehicle charging points has been difficult for some councils, especially those in rural areas where there is currently a poor business case, due to lower population density and higher grid connection costs.²⁶ However, there is a strong need for electric vehicle infrastructure in rural areas, where around 73 per cent of trips are taken by car, either as a driver or a passenger.²⁷

Local authorities have significant financial responsibility for roads and public transport in their areas

Total transport expenditure in England, 2018-19²⁸

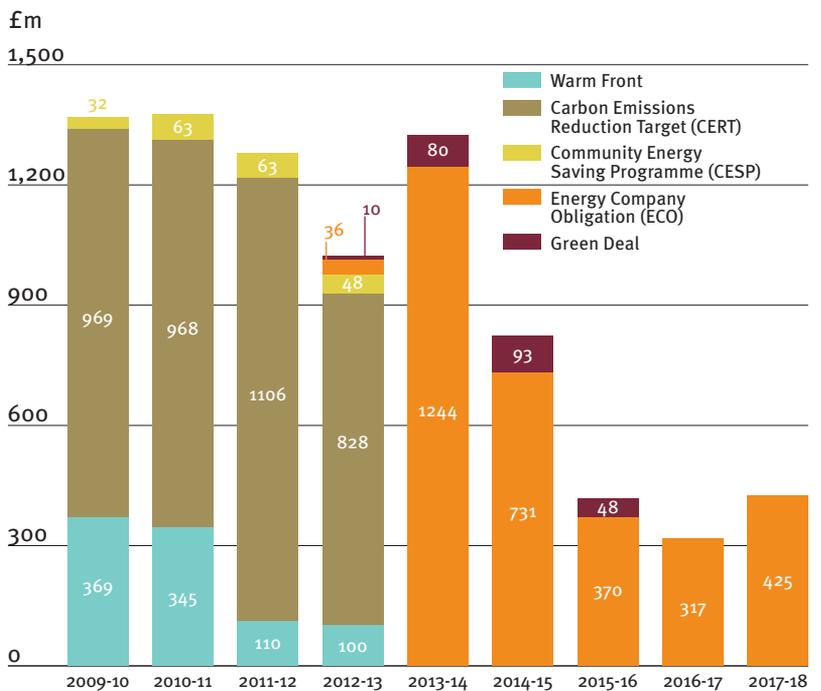


Inconsistent funding for housing improvement

Public spending to improve housing energy efficiency in England has continually decreased over time, with no flagship national policy since the end of the Green Deal in 2015. Annual public spending on energy efficiency is now only £8 per head in England, compared to £35 in Scotland, £23 in Northern Ireland and £17 in Wales.²⁹ This lack of commitment has depleted supply chains and reduced the skills base just when they are most needed.

Funding for home energy efficiency has fallen by two thirds since 2009

Support in England on energy efficiency measures for homes, 2009-18³⁰



The £2 billion package for domestic energy efficiency, including the Green Homes Grant, announced in the summer of 2020 will begin to fill this gap, but only if it is the start of a reliable long term retrofit programme. It is recommended that the Treasury should invest a further £7.8 billion in home energy efficiency over the next four years to fulfil the government’s manifesto pledge. On top of this, £5.8 billion should be allocated to heat pump deployment, drawing from the £100 billion infrastructure budget for this parliament.³¹ Further support is required to build supply chains and bring costs down for more innovative methods of whole house retrofit, which can make homes low carbon by installing a number of measures in one step.³²

Local authorities were assigned £500 million of the £2 billion to fund energy efficiency measures for fuel poor households. This is a significant sum but this level of support needs to be available over the long term in a form that is predictable for councils if energy efficiency is to be improved across the country in a place appropriate manner. By comparison, Leeds City Council’s 2017-30 Affordable Warmth strategy estimates the cost of ensuring all the city’s homes reach a decent standard, with everyone able to stay warm, will be £1 billion.³³

“The government might offer what might seem like a massive amount of money, but by the time you’ve divided that up by every local authority, or by every successful competitive bidding process, we might get a small proportion of what we actually need to transition our housing stock. It’s mainly ancient and in need of a full fundamental change.”

National policy is limiting local ambition

Councils cannot hope to decarbonise their local areas without the backing of ambitious national policy frameworks. More than that, these policies need to be designed with local partnership in mind and delivered from Westminster in a way that local authorities can interact with.

Local authorities we spoke to often struggled to engage with multiple central policy makers, initiatives and funding pots with different objectives, distributed across government. In the case of energy efficiency, for example, the Department for Business, Energy and Industrial Strategy (BEIS) examines cross-cutting issues such as metrics, fuel poverty and wider energy policy. The Ministry of Housing, Communities and Local Government (MHCLG) works on planning, building standards and heritage, and the Treasury focuses on spending.

“I think that government can be far more progressive than they are and it wouldn’t even cost them that much money to do it. Clearly, you need leadership and you need legislation to be able to back that up. That has to then be able to be filtered down and put in place on the ground.”

The absence of central government co-ordination and strategy was mentioned most frequently by local authorities in reference to the planning and delivery of new homes, an issue that impacts both transport and housing emissions.

The current National Planning Policy Framework has a presumption in favour of sustainable development. In practice, sustainability considerations are often superseded by more immediate development needs. As one local authority representative highlighted, the planning system has “been about volume, dominated by car oriented development”. Another reiterated this: “...things are looked at the wrong way round, first thing talked about is where the main roads go, can you get access, is there money to pay for it? Way down the list are more sustainable transport movements and sustainable locations.”

Others raised concerns about the ability of their planning teams to factor decarbonisation into local plans and stand up to developers, and they doubted the Planning Inspectorate had a grasp of what was necessary to achieve net zero emissions.

Barriers to integrated local transport

Access to sustainable transport is rarely a consideration for developers keen to take advantage of the uplift in value they can gain from greenfield sites, rather than grappling with more complex brownfield sites which are more likely to have existing public transport links.

This is exacerbated by pressure to find enough sites to meet the targets for new homes imposed on local authorities, which can overrule transport considerations in establishing local plans. Between 2015 and 2017, more than half of the planning permissions for the 220,000 new homes within twelve of England's city regions were over two kilometres from a railway station and only 20 per cent were within an easy walking distance of 800 metres.^{34, 35} Without accompanying investment in public transport, this locks in dependency on cars. As one local authority said, the planning system must be thought of “in a holistic way, more so than we have done in many years”.

“In the current system, car free developments will struggle to get support, in part because there is a lack of confidence that alternative transport solutions will be put in place. This perpetuates our current approach focusing on the car.”

Limited local powers over bus and rail services in most areas is a major barrier to developing coherent local transport services which properly serve local communities with common timetables, pricing structures and ticketing systems. There have been efforts to restore some of the controls lost when bus services were deregulated in the 1980s but these have had limited effect. Greater Manchester Combined Authority aims to solve this by reintroducing franchising but this might not be suitable for all areas.

The central appraisal tool for transport projects, Web-based Transport Analysis Guidance (WebTAG), is also problematic as it prioritises economic considerations, particularly journey times, over emissions reductions or broader sustainability objectives. Consequently, it favours roads, further increasing the reliance on private transport.³⁶ The transport modelling tools used should be more sophisticated, moving away from the focus on car movements and, as one interviewee said, instead considering “movement in all its forms, linking that [with] what it means in terms of carbon reduction”.

Lack of clarity around housing standards

Efforts to build greener housing were undermined by the ending of the Zero Carbon Homes standard in 2015. Although the government plans to restart this agenda with its forthcoming Future Homes Standard, trust in the system has been damaged and will take time to recover.

A number of well-resourced local authorities have defied government pressure not to apply their own, more ambitious, buildings standards, including Guildford Borough Council which requires an additional 20 per cent carbon emissions reduction.³⁷ For others, introducing higher standards is extremely difficult with limited resources, and they are unlikely to win against Planning Inspectorate decisions. The Future Homes Standard and forthcoming planning reforms could even formally ban councils from going beyond national standards.

“At the moment, it’s suggested that we do not put in any terms of guidance on energy efficiency in property development because the building regulations will cover it. But, lo and behold, building regulations have stayed the same. How long do we wait before we introduce our policies?”

There are several other problems with the current system, including considerable differences between the theoretical method used to assess building performance and their actual operational performance, with average emissions over 2.5 times higher than estimates suggest.³⁸ Housebuilders have also been able to build to outdated standards by starting work and then pausing. Using this technique, the UK’s three biggest house builders in the UK, Persimmon, Taylor Wimpey and Barrett, were able to build more than half of their homes in 2018 to standards that pre-dated 2013 building regulations.³⁹

National buildings policy ignores the carbon embodied in construction too. The Greater London Authority is beginning to address this by mandating lifecycle assessments for some building projects but the Future Homes Standard may actually prevent other authorities following suit.⁴⁰

A new framework and support



Local authorities have shown themselves to be enthusiastic partners in the effort to take action on climate change. It is also clear they are well placed to tackle some of the sources of emissions that have proved most challenging to address. But their efforts are being hampered by a range of factors including limited powers over their local emissions, unsupportive central government policies, and limited skills and resources within local authorities and communities.

“There needs to be a proper green agenda in my view, which actually gives incentive, gives money, gives targets, gives authorities the chance to be ambitious about things.”

There is still a chance for central government to capture the undeniable local enthusiasm to do more, and the impetus to futureproof the economy which has emerged as a result of the pandemic. Together these could be at the heart of a new local economic strategy. If done well, this would allow each local area to work to its strengths and achieve its decarbonisation targets, with support from central government.

To achieve this requires a central framework, developed jointly by local and national leaders, which clearly delineates the role of local government in meeting the net zero carbon goal and supports them in doing it their way. This should be accompanied by an agreed central methodology to monitor and report on emissions in areas under local authorities’ direct control, with a single point of contact in central government.

In addition to the need for a central framework, we make recommendations in the rest of this chapter on addressing the skills gap, funding and planning reform. These measures on their own will not be enough to meet net zero but will create a baseline for further action.

A strategic approach to the skills gap

Our local authority interviewees recognised some cases where government initiatives have provided invaluable resources and support for them on complex projects which many would have not been able to manage in-house. The Local Energy Hubs developed by BEIS, for example, have benefited many local authorities, assisting with developing business cases, accessing funding and procurement processes.⁴¹ There was, unsurprisingly, an appetite for more help like this.

Specific gaps identified were in housing energy efficiency retrofit, low carbon heating, planners' ability to factor in low carbon transport, and the wider skills and confidence needed to develop low carbon economies, find new sources of revenue and make the most of private sector income.

The recent launch of a carbon literacy toolkit for local authorities, co-funded by BEIS and Greater Manchester Combined Authority, will help councils support employees in beginning to incorporate net zero into their everyday practices. However, these kinds of provisions cannot replace specialist in-house knowledge which requires adequate local authority funding to develop.

“We definitely need to upskill our staff. It would be much cheaper for us to have experts within the council than to be commissioning it from consultants.”

As well as upskilling local authority teams, a national green skills strategy and range of training and retraining schemes are needed to enable local areas to futureproof their local industries and attract new low carbon businesses. Training should be tailored to the geography of localities with the help of local authorities.

To make this possible, the government should increase investment in the Local Energy Hub system to both support more local authorities and expand its scope to a broader range of issues. This investment should be equitably shared out across all regions, working with current local authority structures to ensure every region can benefit equally from the increase in investment. It should also explore other opportunities to train local officials, recognising the significant skills gaps that exist.

Sufficient and stable funding

Funding mechanisms for local authorities should be reformed to ensure consistent and predictable funding streams and increase capacity to meet all priorities. Environmental policies cannot continue to be deprioritised, and should have more reliable sources of funding.

It is good to see clarity around the UK Shared Prosperity Fund in the 2020 Spending Review. This will help to replace the £8.4 billion European Union regeneration funding that supported local projects targeting new infrastructure, environment, enterprise and social cohesion.⁴² Specific, long term measures such as these will be highly beneficial to local authorities.

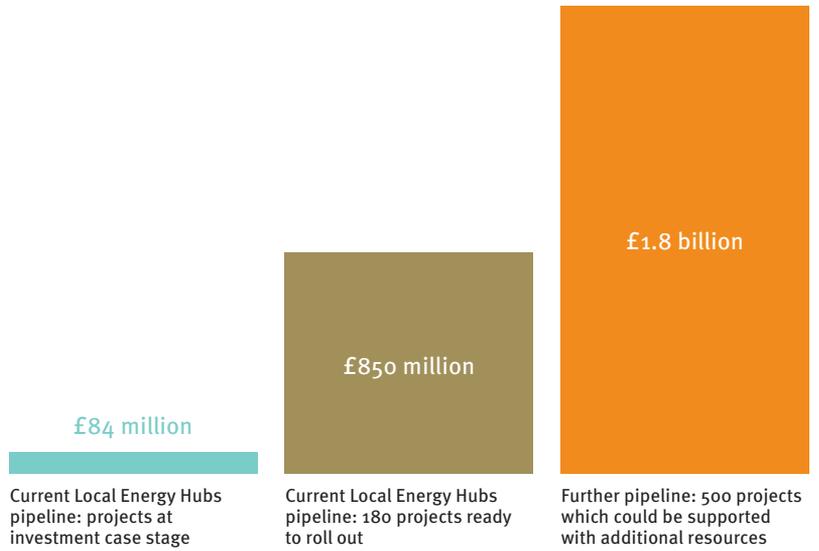
“We need to move away from a transactional relationship, waiting for central government to give us permission or to give us a pot of money.”

There is also a role for central government in aiding access to private funding. The Local Energy Hubs mentioned have helped local authorities to pool together small scale, fragmented energy projects to build one larger scale, attractive opportunity for investors. The 180 projects currently in the pipeline are valued at £850 million, with over half of this from private sources. With further support, this could increase to 500 projects valued at £1.8 billion. As these projects are ‘shovel ready’ they could be rapidly rolled out as part of the Covid-19 economic recovery plan.⁴³

“We are so dependent on government that we’d want to have a bit more independence and flexibility and guaranteed sources of income.”

Local government reforms must enable councils to meet all the obligations placed on them, and fulfil their agreed role in addressing climate change. All sources of local and regional funding should have the objective of a low carbon transition embedded in their design. They should offer local authorities predictable revenue to support long running programmes, targeting greater resilience and sustainability across all jurisdictions under their control.

Realising the potential of the Local Energy Hubs project pipeline



Planning reform

Throughout our conversations with local authority representatives, it was clear that planning is an important area in which central government frameworks could be much more supportive of local action. In their current form, they fail to act as a driver for sustainable housing, often resulting in homes which are both car dependent and built to low energy efficiency standards.

National government and local authorities should be jointly responsible for ensuring all new housing developments are designed and built to the best low carbon specification, while encouraging lifestyle changes for residents, for instance by facilitating more walking, cycling and public transport use, and installing smart systems that enable them to use as little electricity as possible.

The government's 'Planning for the future' white paper references net zero, but neither this nor any other environmental considerations are right at its centre in the same way speed, digitisation and beauty are.

“How meaningful will this threat – I call it a threat rather than a promise – to reform the planning system turn out to be? The government seems to do it every other year and make the system more complex and slow rather than quicker. There seems to be a big gap between the rhetoric and the action.”

There are several aspects that are likely to make it harder for local authorities to put net zero at the heart of communities and avoid development on poorly connected greenfield sites. These include considerably less ability to impose their own conditions on development through local plans, reduced approval processes in some areas and relaxed rules around permitted development, which could facilitate more demolition and rebuilding when renovation would be lower carbon, more resource efficient and potentially better for communities.

Decarbonisation objectives must be embedded at the heart of the new planning system to ensure new developments have minimal environmental impact, both in their construction and use. These objectives should also be adopted by the Planning Inspectorate. Similarly, local authorities need support to go over and above nationally set building standards if they wish to, to foster local skills and supply chains for low carbon construction. And, the transport appraisal system WebTAG should be reformed to focus on more sustainable travel.

Conclusion

For all their ambition and enthusiasm, local authorities will struggle to make good on the pledges they have made to address the climate emergency because they lack so many of the powers needed to manage emissions. There is not even a good source of data showing the scale of the emissions under their collective control. Many of those that have declared emergencies still do not have costed decarbonisation plans and, even if they do, they do not have the staff, funds or powers to take the action necessary.

The Covid-19 pandemic has accelerated conversations about the future of local economies and their resilience to climate change and other crises. It has also shown that many of the climate challenges faced today are regional, and the government must consider how local government structures should be reshaped to allow for more local economic strategies.

What is clear is that local authorities cannot act alone. The monumental task of retrofitting all of England's housing stock to the highest possible standard, while building a transport system which no longer prioritises polluting vehicles, will take ambitious national leadership. Local authorities, guided by national policy, need the flexibility to do what works best for their areas and communities.

The government should seize the opportunity of the local enthusiasm demonstrated by climate emergency declarations. A new net zero framework would help to raise ambition essential for the upcoming COP26 summit in November 2021, increasing domestic action by supporting emission reductions in local communities. This framework, agreed between local authorities and central government, would establish expectations on both sides and help to plug some of the gaps local authorities have faced to date, and could also help to shape the planned local and regional government reforms.

Endnotes

- ¹ Climate Emergency UK, 2020, 'List of councils who have declared a climate emergency as of October 2020'
- ² Ibid
- ³ Green Alliance, October 2019, *The route to clean growth: using local industrial strategies to drive change*
- ⁴ IPPR, March 2019, *A just transition: realising the opportunities of decarbonisation in the north of England*
- ⁵ Ibid
- ⁶ Green Alliance, October 2019, *The route to clean growth: using local industrial strategies to drive change*
- ⁷ New Economics Foundation, July 2020, *A green stimulus for housing*
- ⁸ ECIU, June 2020, *Sealing the 'Red Wall': how home energy retrofits could level up the post-Covid jobs market in the UK's hardest-hit areas*
- ⁹ Electrical Contractors Association, January 2020, 'Survey: half of councils are unsure of their carbon footprint'
- ¹⁰ Ministry of Housing, Communities and Local Government (MHCLG), January 2019, 'Local authority housing statistics: year ending March 2018, England'
- ¹¹ Local Government Association (LGA), October 2020, *Polling on resident satisfaction with councils: round 27*
- ¹² Committee on Climate Change, May 2012, *How local authorities can reduce emissions and manage climate risk*
- ¹³ Department for Business, Energy and Industrial Strategy (BEIS), June 2020, 'UK local authority and regional carbon dioxide emissions national statistics: 2005 to 2018'
- ¹⁴ ONS, June 2020, 'Atmospheric emissions: greenhouse gases by industry and gas'
- ¹⁵ Parliament.uk, October 2019, 'Energy efficiency: building towards net zero: government response to the committee's twenty-first report of session 2017–19'
- ¹⁶ BEIS, June 2020
- ¹⁷ Heat Pump Association, June 2020, *Building the installer base for net zero heating*
- ¹⁸ PBC today, July 2020, '£4m investment to transform Icknield Port Loop'
- ¹⁹ Institute for Fiscal Studies, November 2019, *English local government funding: trends and challenges in 2019 and beyond*
- ²⁰ Ibid
- ²¹ Transport Select Committee, May 2019, 'Bus services in England outside London'
- ²² Urban Transport Group, 2020, *The Covid-19 funding gap: the case for continuing support for urban public transport*
- ²³ Department for Transport (DfT), 2020, *Gear change: a bold vision for cycling and walking*
- ²⁴ DfT, 2020, *Cycling and walking investment strategy: report to parliament*
- ²⁵ Greenpeace, et al, September 2019, *Government investment for a greener and fairer economy*
- ²⁶ BEIS Strategy Committee, October 2018, 'Electric vehicles: driving the transition'
- ²⁷ DfT, 2020, *National travel survey: 2019*, see: data table for 'Region and rural-urban classification, nts9903'
- ²⁸ DfT, December 2019, *Transport statistics Great Britain*, see: data table for 'Transport expenditure, ts9b1302'
- ²⁹ E3G, July 2018, *Silver buckshots? Opportunities for closing the gap between ambition for, and policy and investment to drive, UK residential energy efficiency renovation*
- ³⁰ Ibid
- ³¹ Energy Efficiency Infrastructure Group, September 2020. *From the Green Homes Grant towards a resilient net zero economy.*
- ³² Green Alliance, February 2019, *Reinventing retrofit: how to scale up home energy efficiency in the UK*
- ³³ Leeds City Council, [no date], *Leeds Affordable Warmth Strategy 2017-2030*
- ³⁴ Chartered Institution of Highways and Transportation (CIHT), August 2019, *Better planning, better transport, better places*

- ³⁵ Urban Transport Group, January 2019, *The place to be: how transit oriented development can support good growth in city regions*
- ³⁶ CIHT, August 2019, op cit
- ³⁷ UK Green Buildings Council, March 2020, *The policy playbook: driving sustainability in new homes - a resource for local authorities*
- ³⁸ Innovate UK, January 2016, *Building Performance Evaluation Programme: findings from domestic projects*
- ³⁹ UK Parliament, July 2019, 'New build properties'
- ⁴⁰ Green Alliance, May 2020, *Smart building: how digital technology can futureproof UK construction*
- ⁴¹ EnergyREV, September 2020, *Net zero localities: ambition and value in UK local authority investment*
- ⁴² Local Government Association, July 2017, *Beyond Brexit: future of funding currently sourced from the EU*
- ⁴³ EnergyREV, September 2020, *Net zero localities: ambition and value in UK local authority investment*

Green Alliance
11 Belgrave Road,
London, SW1V 1RB
020 7233 7433

ga@green-alliance.org.uk
www.green-alliance.org.uk
[blog: greenallianceblog.org.uk](http://blog.greenallianceblog.org.uk)
twitter: @GreenAllianceUK

The Green Alliance Trust
Registered charity no. 1045395
Company limited by guarantee
(England and Wales) no. 3037633
Registered at the above address