By email to Housing, Communities and Local Government Select Committee

30th April 2021

ADEPT submission to the HCLG Select Committee Inquiry: Local government and the path to net zero

- 1. This evidence is submitted by the Association of Directors of Environment, Economy, Planning and Transport (ADEPT). ADEPT is a professional association that represents executive 'directors of place' from county, unitary and combined authorities, along with directors of local enterprise partnerships, sub-national transport bodies and corporate partners drawn from key service sectors. More than two thirds of households in England rely on services provided by ADEPT members including housing, environmental and regulatory services, planning, development, culture, and highways and transport. ADEPT represents its members' interests by proactively engaging Government on emerging policies & issues, promoting initiatives aimed at influencing government policy, and through the sharing of best practice, professional networking and development opportunities. Our strategic priorities include climate change and the environment; infrastructure and communities; and place-based funding.
- 2. ADEPT is also part of a coalition of local government, environmental and research organisations who have worked together to produce the <u>Blueprint</u> for accelerating climate action and green recovery at a local level (June 2020, updated January 2021). Our partners in the coalition include Ashden, Friends of the Earth, the Grantham Institute Climate Change and the Environment (Imperial College London), Greenpeace, LEDNet London Environment Directors Network, Solace Society of Local Authority Chief Executives, and Place-based Climate Action Network (PCAN) at LSE. The work has been supported by the Local Government Association, London Councils, and the Green Alliance. The Blueprint sets out the national leadership, policies, powers and funding needed to empower local authorities to deliver at scale, working together with communities and businesses. In developing our recommendations, we have drawn extensively on the direct experience of many local authorities as they develop their own climate action plans, as well as their experience at the frontline of the coronavirus response.
- 3. Our evidence to the Committee's inquiry is in the form of this covering letter with some headline messages and with links to relevant documents setting out more detailed views. We have two key messages:
 - that local leadership is essential in tackling climate change and reaching the net zero target, and
 - that Government must strengthen its coordination and improve its engagement with local government, provide a framework for action and the long-term funding required.
- 4. The great majority of councils have declared a climate emergency and are ready to act. They recognise the importance of a green recovery from the pandemic. But they are under-funded to play their key role in delivering this new powers and funding are needed. The coalition's five urgent priorities for action as set out in the Blueprint include housing retrofit and the call to set up a joint central and local government task force so that we can together take a holistic approach instead of the traditional relationship within departmental boundaries.
- 5. It was promising to see the importance of local leadership and the need for properly resourced and funded local government recognised in the Climate Change Committee's <u>Sixth Carbon</u> <u>Budget</u> report last December. The main report stated that place is a key dimension to cover in the delivery of net zero, that the transition must be fair and just, and that the Government must have stronger governance and coordination to achieve net zero, with delivery processes reaching out across all levels and localities of Government. The CCC's <u>supplementary report</u>

went further in emphasising the vital role of local authorities. No doubt the Select Committee will be taking full account of this evidence.

- 6. We would also anticipate that you will refer to the call by the National Audit Office in its recent report on <u>Achieving Net Zero</u> for the Department for Business, Energy & Industrial Strategy, alongside the other departments involved, to put in place all the essential components for effective cross-government working, such as integrated planning and progress monitoring, and processes to manage interdependencies, to ensure all of government steps up to this challenge. Beyond these internal structures government also needs to spearhead a concerted national effort to achieve the ambitious target, to engage actively and constructively with all those who will need to play a part across the public sector, with industry and with citizens to inject the necessary momentum.
- 7. Currently there is no formalised requirement for local authorities to monitor and reduce carbon emissions across their areas. Since the removal of NI 185 and NI 186 in 2011, there has been no formal requirement for local authorities to monitor or report on their carbon emissions. Equally, there is no requirement for local authorities to reduce either their own emissions or seek to reduce emissions across their areas. This is a notable gap in the policy landscape and means that action on climate change lacks a framework to provide consistency and drive.
- 8. ADEPT welcomes the government's announcement that the Sixth Carbon Budget will reduce emissions by 78% by 2035 compared to 1990 levels. However, we encourage the government to formally recognise the role which local authorities have in helping the UK meet its net zero target, and develop policies that will enable all local authorities to support this target. Equally, areas where local authorities cannot directly influence need to be articulated so that there is a common understanding where central government must act for change to be delivered. This is in line with the CCC's recommendations (see 5 above).

New homes

- 9. Local authorities want to ensure all new development is zero carbon, facilitate increased renewables generation and zero or low carbon heating schemes, make more space for nature, and link developments with public transport and walking and cycling routes. There is a clear legal requirement for local plans to ensure that they include policies to mitigate and adapt to climate change, taking into account the UK's net zero commitment under the Climate Change Act. But the National Planning Policy Framework contains conflicting policies that undermine this legal duty in practice. The planning system needs to be strengthened so that delivering on the climate target is applied to all planning decisions and embedded in Building Regulations.
- 10. In our evidence to the Committee's inquiry into planning last autumn, we said that we want to see a collaborative planning system that puts addressing climate change, biodiversity (and wider environmental) net gain, and tackling inequality at its heart. Planning must support local regeneration through enabling the green economy, employment and skills to create resilient places and communities. Please refer to our detailed response <u>response</u> to consultation on the Planning for the Future White Paper (October 2020). The proposals in the White Paper threaten instead to undermine local authorities' ability to deliver high quality zero carbon development and would limit the ability of local communities to influence development proposals in their local areas. The White Paper proposals for greater centralisation with more nationally set policies would restrict councils' ability to set local policies and targets which best meet the needs and priorities of their areas, including in response to climate change.
- 11. Our comments on more detailed aspects of energy efficiency and heating in new homes are set out in consultation responses on Future Homes Standard, Housing Delivery, and National Model

<u>Design Code.</u> In addition, we endorse the key messages in the Local Government Association's recent response to the second stage of proposals on the Future Building Standard (April 2021) to increase technical standards in Building Regulations to improve the quality of homes and buildings to tackle climate change, create more resilient communities, and grow the green building and skills sector.

Existing homes

- 12. Retrofitting homes and other buildings is one of the key themes of the Blueprint and one of the five immediate priorities we identified as a coalition. We must upgrade our existing homes and buildings to ensure they are fit for the future this is national infrastructure investment priority, with a target to bring homes up to a good standard by 2030 (at least EPC 'C') and investment for all schools to reach zero carbon by the same date. Local authorities should have the powers they need via planning and building regulations to require all new homes to be zero carbon by 2025.
- 13. The four key Blueprint recommendations on retrofit are:
 - Put in place a long-term area-based delivery approach to retrofitting, with local authorities playing a core role in cutting emissions, tackling fuel poverty, creating demand and growing supply chains.
 - Confirm the **funding for retrofit and low carbon heat** already pledged in the 2019 Conservative manifesto and outline how and when the government will bring forward further funding to deliver retrofitting as a national infrastructure priority, recognising that many experts have called for significantly greater levels of support and for greater certainty around funding streams that would allow the development of stable supply chains.
 - Establish financial support and incentives for councils to encourage private retrofitting, including green mortgages, a fiscally neutral, variable Stamp Duty Land Tax for more efficient homes, a revolving loan fund and/or low-cost finance for home energy retrofitting. Reduce VAT rates on domestic energy efficiency measures and low carbon heating provided the whole property is brought above certain EPC thresholds to support the retrofitting industry to develop.
 - Ensure councils have sufficient **resources for ensuring compliance** with the regulations on private rented homes.
- 14. For details of why these are important and the evidence underlying them, please refer to the Blueprint coalition retrofit briefing (April 2021) as submitted to the Committee by our partners Ashden and Friends of the Earth.
- 15. Local authorities welcome the range of funding opportunities which the government has made available over the last year. However, many of these have had their potential benefits limited by the way these have been introduced, withdrawn, and engagement with those required to bid. One example of this is the various funding opportunities that form part of the Green Homes Grant programme the voucher scheme which closed after six months, three phases of the Local Authority Delivery (LAD) scheme along with intentions for a fourth phase, the anticipated Homes Upgrade Grant which we believe is to be closely aligned, as well as funds specifically aimed at social housing but also requiring local authorities to lead the bid.
- 16. A multitude of funding streams, all aiming to deliver the same benefits but subject to repeated change, withdrawal and amendment makes it difficult for long term programmes of work to be established. Furthermore, and arguably more importantly, this uncertain pattern of funding makes it very challenging for private sector installers of energy efficiency measures to invest in creating new capacity. Building the capacity of the network of installers who can improve the energy performance of existing dwellings is critical to meeting net zero targets.

How else local government can help

- 17. Local authorities have an important role in tackling the climate emergency, particularly as we are close to our communities and localities and are able to engage with them at that local level to ensure that whilst national action is an absolute essential that this is translated to the local level in a way that is understood by and relevant to the local community and recognises that each place is different.
- 18. Local government is also well-placed to try out different approaches in different areas and then to share the learning through ADEPT and other networks, so the best approaches get adopted by others and contribute to the national objective. We firmly believe that a partnership approach is needed, with a joint local and central government taskforce on climate change, with other stakeholders. This is one of the headline Blueprint coalition asks.
- 19. Local authorities have a range of existing levers that can be used to deliver local action on climate change, but these alone will not be sufficient to deliver net zero ambitions: there are gaps in powers, a lack of appropriate long-term funding and financing, and a lack of capacity and skills at a local level.
- 20. In addition to housing and planning, local government has important roles in relation to growing the low carbon economy, decarbonising transport, protecting and restoring nature, and reducing waste and encouraging sustainable consumption. These are all covered in the Blueprint, and we would again refer you to that key document.
- 21. For example, the transport sector would benefit from additional national government policy to support the decarbonisation required. Local authorities are strategically placed to support this through transport planning and management of highways. Additional policies and investment are required to test and implement innovative business models that will support the faster adoption of electric vehicles, the decarbonisation of public transport and the infrastructure required to support these changes.
- 22. Councils can reduce direct emissions from their own services, buildings, vehicles and other assets, but they also have a wider impact in their areas by using their purchasing power and procurement strategies to incentivise their suppliers, contractors and partners to reduce their own carbon footprints. ADEPT is involved in a number of projects to develop sustainable procurement initiatives, as are some of our partners including Ashden and the LGA. We would be pleased to provide more details of these if they would be of interest to the Committee's current inquiry.

We would be delighted to offer a Place Director from our Leadership Team to attend the Committee's hearings to present our evidence and to answer MPs' questions on any of the issues set out in your terms of reference.

Yours sincerely,

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