

Coalition submission to EAC net zero inquiry (August 2021)

1. This submission is from the Blueprint Coalition, a group of local government, environmental and research organisations who have come together to set out a blueprint for how the government can accelerate climate action and a green recovery from coronavirus at the local level.
2. The following organisations are partners in the Blueprint Coalition:
 - ADEPT (the Association of Directors of Environment, Economy, Planning and Transport)
 - Ashden
 - Friends of the Earth
 - Grantham Institute (at Imperial College, London)
 - Green Alliance
 - Greenpeace
 - LEDNet (London Environment Directors' Network)
 - PCAN (Place-based Climate Action Network at LSE, University of Edinburgh, University of Leeds and Queens University Belfast)
 - SOLACE (Society of Local Authority Chief Executives).

With support from the Local Government Association and London Councils.

Executive summary

3. **Local authorities are essential to delivering long-term, sustainable emissions reductions for local places.** The importance of local leadership and the need for properly resourced and funded local government was recognised in the Climate Change Committee's [Sixth Carbon Budget](#) report last December which said that place is a key dimension in achieving net zero, with delivery processes needed across all levels of government. The CCC's supplementary report [Local authorities and the Sixth Carbon Budget](#) went into further detail on the vital roles of councils.
4. The NAO report [Local government and net zero in England](#) (July 2021) recognises this critical importance and the need for local authorities to have the skills, resources and funding to be able to deliver effectively. **We endorse the main findings of the NAO report that central government has not provided local authorities with clarity about their roles in achieving net zero, and that its approach to funding is piecemeal and short-term.**
5. The NAO report also recognises local authorities' ability to drive and support the behavioural change within communities that is needed to reduce emissions in key areas such as transport, housing and waste. The vast majority of councils have made commitments and developed plans to decarbonise their own activities and to accelerate the decarbonisation of their local area. Despite this, **the government has yet to consult with the sector on responsibilities and priorities in order to better support local action.**
6. As we set out in our report [Recognising local authorities as key partners in the Net Zero Strategy](#) published in July 2021, **the government's net zero strategy must recognise that a local place-based approach is best for many sectors.** It must include a clear commitment to a mutually agreed framework between central and local government, a cross-departmental rather than siloed approach to working with local authorities, and acknowledgement of the wider co-benefits of delivering on decarbonisation policies.

7. While the NAO report focussed on net zero, it is important to remember that **tackling climate change is not just about reducing greenhouse gas emissions, it is equally about actions to build resilience in places and communities and adapt to the impacts of those climate changes that are already irreversible.**

What should local authorities' roles and responsibilities in reaching net zero by 2050 be? How clear are the expectations about the role of local authorities?

8. Expectations are currently not clear. We agree with the conclusion of the NAO report which says "central government has not yet developed with local authorities any overall expectations about their role in achieving the national net zero target.... government has not yet set out to local authorities how it will work with them to clarify responsibilities for net zero."
9. Our report [A blueprint for accelerating climate action and a green recovery at the local level](#) sets out the roles that local authorities can play:
 - growing the zero and low carbon economy
 - retrofitting homes and buildings
 - decarbonising transport
 - planning to deliver zero carbon development
 - reducing waste and encouraging sustainable consumption
 - protecting and restoring nature
 - developing local authority funding, governance and accounting systems that are fit for purpose.
10. In April 2021, ADEPT submitted [evidence](#) to the Housing, Communities and Local Government Select Committee inquiry into local government and the path to net zero. This is directly relevant to the Environmental Audit Committee's current inquiry and we would ask you to take it into account. It describes how local authorities want to ensure that all new housing development is zero carbon, designed to make more space for nature, and to facilitate public transport and active travel rather than car dependency. Retrofitting existing homes and other buildings is one of the key themes and immediate priorities of the Blueprint and one of the five immediate priorities we identified as a coalition.
11. In addition, local authorities have a number of broader roles that cut across sectors. These include leading and inspiring, place-shaping, commissioning and market-shaping, and engagement and partnership with communities, businesses, and other stakeholders.
12. As we set out in our recent report [Recognising local authorities as key partners in the Net Zero Strategy](#), the government's net zero strategy must include:
 - A clear commitment to a mutually agreed central framework to embed local authorities as delivery partners in decarbonisation policies
 - A clear message that a place-based solution is the best approach for several sectors
 - A cross-departmental approach to working with local authorities
 - Acknowledgement of the wider co-benefits of delivering on decarbonisation policies.

What are the priorities for change or clarification to align the national planning framework with net zero?

13. The planning system needs to ensure that all new development, including housing and associated infrastructure, is compatible with a net zero future and nature's recovery. The Government's planning reforms (Planning Bill) must bind the UK's climate policy into the

planning system to make it clear that local planning authorities (LPAs) must take UK Net Zero targets for 2035 and 2050 into account when considering all planning applications.

14. Planning policy set out in the National Planning Policy Framework (NPPF) remains a barrier for LPAs to facilitate low carbon development. Recent revisions do not address this. However, the [government's response to the NPPF consultation](#) stated that *"It is our intention to do a fuller review of the Framework to ensure it contributes to climate change mitigation/adaptation as fully as possible, as set out in the White Paper."*
15. This needs to happen as a matter of urgency, starting with empowering LPAs by:
 - Amending paragraph 20 (NPPF) to require all planning decisions be in line with the objectives and provisions of the Climate Change Act 2008, the 4th, 5th and 6th Carbon Budgets, and the 2050 net zero target.
 - Providing carbon accounting guidance for planning policies and decisions within the NPPF and Planning Practice Guidance for key areas of influence (such as energy, transport, building design and green infrastructure).
 - Enabling the restriction of permitted development rights (PDR) to minor development
 - Requiring all new homes delivered using PDR to meet high energy and water efficiency and healthy living standards.
 - Reinforcing circular economy principles for construction, including retrofitting in preference to demolition and new construction.

LPAs must also retain the ability to set standards, notably on energy efficiency, above the national minimum, in order to meet earlier local net zero targets.

16. Delays in addressing planning policy are resulting in new buildings that will need costly retrofit in the future, and developments being permitted that increase emissions, for example by locking in car dependency.

What will need to be in place to ensure that the UK infrastructure bank loans to local authorities for net zero work are as effective as possible?

17. We welcome the launch of the UK Infrastructure Bank (UKIB) with £22bn of finance to help tackle climate change and to support regional and local economic growth across the country. Its mandate explicitly includes lending to local authorities to invest in strategic, high value infrastructure projects to help attract additional private sector capital. It also has a wider offer of expertise and support, and a wider range of finance products than the Public Works Loans Board (PWLB).
18. UKIB loans will need to be accessible to local authorities, with reasonable terms and conditions and realistic monitoring. Local authorities will need development funding and the skills and capacity to bring forward projects to the point at which they can be submitted to the Bank. They will also need ongoing revenue funding to meet the costs of borrowing for new investment and the operational costs associated with the new infrastructure. The Bank will need to engage with the local government sector as it develops its lending criteria and metrics. Its decision-making will need to be independent and transparent to avoid any appearance of political interference and bias as has been alleged in the operation of the Towns Fund and Levelling Up Fund.
19. Fundamentally, the Bank's overall financial capacity is unlikely to be great enough to lever in sufficient private sector capital to meet the investment requirements of decarbonising housing, transport, and waste and recycling (for example, [Inside Housing](#) has estimated that it will cost

£104bn to retrofit the social housing stock). This will need to be reviewed once the government has published its net zero and sector strategies.

What funding and resources are available for local authority work on net zero, and what are the priorities for improving local authority funding?

20. The NAO report estimated that, in addition to core settlement funding, government provided £1.2bn grant funding to local authorities in 2020-21 through 21 dedicated grant schemes relevant to net zero action. Although significantly higher than in previous years, this funding remained “fragmented” and resulted in poorer value for money because of problems with process (unrealistic bidding and delivery timescales) and outcomes (a very uneven distribution of the funding available).
21. Our [Blueprint report](#) calls on the government to support adequate long-term funding and financing for local authorities to enable them to act confidently in the long-term best interests of their communities as they tackle the climate and ecological crises. Fundamental weaknesses of the local government finance system – particularly the funding of adult social care – need to be resolved. The allocation of net zero grants should not be dependent on the vagaries and opacity of competitive bidding processes. Timescales must be realistic and deliverable, giving clear signals to markets to enable supply chains to be built (see paragraph 24 below).
22. Some councils have used innovative funding models such as community municipal bonds, but they also need new fundraising powers that can help to drive decarbonisation, such as the payroll public transport levy widely used in France. Government must use funding regimes such as the Levelling Up Fund and subsequently the UK Shared Prosperity Fund to drive the transition to the low carbon economy, particularly in areas where the transition is most challenging, including spending on skills, infrastructure, and supply chains.

What should government’s analysis of net zero funding to local authorities focus on in the next Spending Review?

23. In the [Blueprint](#) paper we set out key net zero spending asks for local government, calling for all funding to be aligned with net zero, for funding to be made simpler and more coherent and in some cases for more funding, including for capacity within councils. The NAO report reinforces these points, noting that, “grant funding for local authority work on net zero increased significantly in 2020-21 but remains fragmented”, that “The nature of grant funding can hinder value for money”, and that “Funding is a critical issue for local authority work on net zero... At the least, local authorities will need the spending power to decarbonise their own buildings and the social housing they own, and to build the skills to incorporate net zero into their existing functions such as transport planning.”
24. The Spending Review must send a clear message that local authorities are key delivery partners in decarbonisation, by setting out long-term, stable funding streams not dependent on repeated competitive applications, and sufficient to deliver at both pace and scale. This funding should also embed a place-based approach to delivery of net zero, which will be needed to ensure that local infrastructure, behaviour and partnership activities are aligned to net zero and deliver high priority co-benefits, particularly around public health. National policies will only be delivered when supported by local decision-making and behavioural changes.
25. The NAO report states that government departments would need to work together to ensure that they have a “coherent and strategic analysis of resourcing for local authority action on net

zero.” Collaboration across departments could have the added benefit of creating streamlined, cost-effective funding pots, saving money for the Exchequer while simplifying the process for local authorities. Departments with responsibility for net zero must demonstrate that they have worked together to support local government through the Spending Review.

26. The [Blueprint](#) paper sets out our detailed asks; of these, we would particularly draw attention to the need to:

- **Align funding with net zero**, by: mapping areas across the UK at particular risk of business closures and jobs losses in the transition to net zero in advance of providing targeted support; ensuring that the Shared Prosperity Fund is designed to support zero and low carbon economic development, and that it includes provision for place-based funding; directing skills funding towards creating a workforce that can deliver the necessary building retrofits (building on the recommendation of the [Green Jobs Taskforce report](#) that local transition bodies should be established “to ensure effective place-based strategies for the transition”; and requiring public bodies such as National Highways (formerly Highways England), Network Rail and Homes England to take local and national environmental strategies and plans, including net zero targets, into account when planning and delivering new schemes.
- **Making funding simpler and more coherent**, by: enabling councils to use existing funding to accelerate low carbon skills development by joining up the National Skills Fund, the National Retraining Scheme and the Apprenticeship Levy at local level and aligning this with place-based employment and business support systems; and supporting new fundraising powers that can help to drive decarbonisation, such as the payroll public transport levy widely used in France.
- **Bringing forward more funding, through:** committing to the full £3.8 billion Social Housing Decarbonisation Fund and the full £2.5 billion Home Upgrade Grant scheme, as outlined in the Conservative Party manifesto – the delivery of these funds can be phased over the long-term, but the supply chain needs to be confident that it will come forward if they invest in their businesses and people today; committing investment to allow all schools to reach net zero carbon by 2030; providing local authorities and Local Enterprise Partnerships with the resources and support to produce and deliver local area energy plans; accelerating provision of new green infrastructure including tree planting and address current inequalities in access to local green space; and funding the full additional costs of new waste collection and recycling duties being introduced through the Environment Bill, such as separate weekly food waste collections and separate garden waste collections.
- Additionally, we are concerned that the **skills and capacity** to deliver net zero within councils are currently too limited, as revealed by the LGA’s 2020 [Climate Change Survey](#). We urge government to work with local authorities and their partners to understand and fill important capacity gaps within local authorities. One key capacity gap is in planning, where LPAs are already challenged by the shortfall between income from application fees and the full cost of providing the service – this will be exacerbated by the government’s proposed planning reforms if a new zoning system leads to a reduction in the number of development management applications required. Another gap is specifically in relation to LPAs’ expertise and capacity to deliver biodiversity net gain – an as yet unpublished survey of almost 200 LPAs by ADEPT, Defra, and the Association of Local Government Ecologists is expected to show that approximately 90% say that they will need additional professional staff to support their new responsibilities.

How is central government co-ordinating its engagement with local government on net zero?

27. The NAO report states that “departments have started to coordinate their engagement with local authorities on net zero but there is no single senior point of responsibility for making more fundamental improvements.” We welcome the efforts that departments have made to engage with councils on specific issues. However, in our experience, engagement to date has been siloed and fragmented. It needs to be more senior and strategic. The Climate Change Committee’s [2021 Progress Report to Parliament](#) echoed this, stating as a priority recommendation that MHCLG need to ramp up their efforts to support local authorities to decarbonise.
28. We welcome recent efforts by the MHCLG to better co-ordinate engagement across departments. The NAO report notes that MHCLG is working with the Blueprint Coalition to run a series of informal workshops on the powers and resources that we have identified as required for local government to deliver on net zero. The workshops have covered the themes set out in the Blueprint report (see paragraph 9 above). These discussions have been very helpful in bringing civil servants from different departments together, but their real value will depend on the momentum being picked up and maintained at Permanent Secretary level. The workshops have highlighted that across all sectors, local authorities desperately need more support to increase in-house expertise, confidence and capacity to decarbonise. Not only is this holding local authorities back from being ambitious in their approaches to tackling climate change, but it also causes challenges for civil servants who struggle to engage with some local authorities when attempting to roll out ambitious pilots and programmes. There was also a clear need for more funding across all sectors, and civil servants acknowledged that this is a significant challenge which needs resolving.
29. As a coalition we have clearly stated that our number one priority is the setting up of a joint local and central government taskforce on climate change, with other stakeholders, as previously recommended by the Local Government Association. We need to see a clear commitment to a mutually agreed central framework to embed local authorities as delivery partners in decarbonisation policies. Local government needs long-term, stable funding, realistic timeframes and sufficient support to deliver at both pace and scale.
30. We were pleased that Minister Eddie Hughes spoke at the London Climate Action Week online event ‘A place-based approach to net zero: the role of local authorities’ in July 2021, organised by London Councils. He recognised the vital work of councils, commending their expert knowledge of their communities and their ability to join up across functions. We then wrote to the Minister to request a meeting with him and we await a response and proposed date. As a coalition we also wrote to Secretary of State Robert Jenrick again urging government to commit to a framework to be developed between local leaders and central government and again await a response to our request for a meeting. It is essential that Ministers show leadership and step up to engage with local authorities. In the run up to COP26, the next two months are a unique and urgent opportunity to build on the momentum offered by the conference to get clear commitments from government.

What role can local community groups play in helping local authorities achieve their net zero ambitions?

31. There are a number of different roles that local community groups can play:
 - Critical friend

- Co-creator and deliverer of local climate action
- Engaging so-called 'hard-to-reach' communities.

32. As 'critical friends' to councils, local community groups can hold them to account and expect them to deliver ambitious and robust Climate Action Plans. But they can also help the council to engage with the wider community, helping to bring on board the support that the council needs to implement its plans, especially where there is local controversy such as over low traffic neighbourhoods. Community groups can also help to publicise and amplify council recommendations for necessary behaviour changes such as reducing consumption, less driving, eating less meat and reducing food waste. Campaign groups such as Friends of the Earth's Climate Action Groups can even help local authorities to seek the powers and resources they need from national government.
33. Local community groups can co-create climate policy and help deliver climate action. There are many examples of this from across the UK such as [Low Carbon Hub](#) who have nearly 50 renewable energy installations across Oxfordshire saving 1,259 tonnes of CO2 each year, or London-based social enterprise [Repowering](#) who have trained disadvantaged local residents on renewable technologies. In Scotland, [Greener Kirkcaldy](#) have co-created multiple climate projects with Fife Council including delivering their fuel poverty scheme, and in Cumbria, [Cumbria Action for Sustainability](#) has provided carbon literacy training for local authority staff and elected members.
34. Engaging so-called 'hard-to-reach' communities: many groups engaging their communities on climate change are not 'green groups'. They may be faith groups, or charities creating opportunities for black and ethnic minority people, or addressing local poverty. These groups can be the most powerful in bringing different voices into local climate action. An example is [Score Scotland](#), who have worked with under-represented communities in West Edinburgh for many years, and who now carry out innovative engagement on climate aspects such as active travel and domestic energy efficiency.
35. Councils also need to engage the community on climate adaptation – they should target the most vulnerable communities and direct resources to those people and places. Government funding mechanisms should facilitate this, for example the current funding model for flood and coastal erosion risk management does not allow local authorities to allocate funding to smaller scale projects and local priorities.
36. Ashden recently ran a series of workshops for London local authorities on community engagement, and a series of videos and blogs from community groups and councils can be found [here](#).
37. To fulfil the roles set out above, funding for climate action by community groups should be more certain; there are currently geographic disparities e.g. there is a rural community energy fund but not an urban one, and access to non-government funding sources such as the National Lottery Climate Action Fund is competitive and only a small fraction of community groups have secured funding.