

Written evidence from The Local Government Association

About the LGA

1.1. The Local Government Association (LGA) is the national voice of local government. We are a politically-led, cross party membership organisation, representing councils from England and Wales.

1.2. Our role is to support, promote and improve local government, and raise national awareness of the work of councils. Our ultimate ambition is to support councils to deliver local solutions to national problems.

Summary

2.1. Local government plays a leading role in accelerating the shift towards achieving net zero carbon. [Almost two thirds of councils in England are aiming to be carbon neutral 20 years before the national target](#) and 91 per cent of local authorities have adopted at least one net zero commitment, according to the [National Audit Office](#) (NAO).

2.2. Councils want to work as partners with government, industry and communities to meet the UK's net zero target by 2050 or earlier and are well placed to do this. The LGA's [A local path to net zero](#) campaign sets out why councils should be trusted partners to tackle the climate challenge as place-shapers, convenors, delivery agents, commissioners and owners of assets. Net zero can only be achieved with decarbonisation happening in every place across the country and this will require local leadership.

2.3. We have been calling for central Government to work with the local government sector and businesses to establish a national framework for addressing the climate emergency.

2.4. We have also been calling for a Ministerial/local government climate taskforce to be set up, bringing Ministers and local leaders together to drive co-ordinated and cross cutting action on climate change. We propose that this is led by the Ministry of Housing, Communities and Local Government (MHCLG) and provides a forum for a greater national-local government partnership.

2.5. Councils are committed to ensuring new, sustainable homes are built and communities have quality places to live. It is vital that these are delivered through a [locally-led planning system](#) with public participation at its heart, which gives communities the power to participate and engage in our national shift to a carbon neutral future.

2.6. The LGA has called on the Government to provide councils with the powers and tools to help [Build Back Better](#), by delivering 100,000 much-needed social homes per year. [Analysis for the LGA by Pragmatix](#) found that building 100,000 new social homes per year could result in £15 billion boost to the economy, and a homebuilding programme would offer a steady source of demand for green-tech skills and trades.

2.7. The LGA published analysis in its [local green jobs – accelerating a sustainable economic recovery](#) report, developed by Ecuity Consulting LLP, which shows that nearly 700,000 jobs could be created in England's low-carbon and renewable energy economy by 2030, rising to more than 1 million by 2050. [Work Local](#) is the LGA's framework for an integrated and devolved employment and skills system that is fit for the future and the Government should back and fund the trialling of the Work Local model.

2.8. We have called for the Government to bring the Planning Bill forward in draft form to enable consultation and pre-legislative scrutiny. We have an opportunity to take the time needed to make improvements to the planning system and also ensure that it aligns with the Environment Bill and net zero by 2050. Conversely, if we get this wrong, the impacts will last generations, and some will be irreversible.

2.9. The Infrastructure Bank goes some way to harnessing capital for large-scale infrastructure such as retrofitting. However, it will be important that the financial mechanisms are in place to translate national and international scale finance into the delivery of locally-led solutions. Capital funding must be combined with revenue funding to ensure councils have the capacity to deliver projects. [Surveys suggest that councils managed over £8 billion of additional cost pressures](#) and £3 billion of lost income, excluding business rates and council tax, since the pandemic began. [Early analysis by the LGA](#) ahead of the forthcoming Spending Review shows that councils face average annual cost pressures of £2.5 billion to maintain services at their current level of access and quality. Of this, £1.1 billion per year is related to adult social care in addition to a £1.4 billion provider market pressure. This shows that unless adult social care funding is fundamentally fixed, councils will always be under financial pressure.

2.10. There are a number of challenges facing council finances. The LGA's [Build back local: Building back better](#) sets out the core issues of uncertainty, spending power and fragmentation. [In 2017/18](#), nearly 250 different grants were provided to local government. Half of these grants were worth £10 million or less nationally. At the same time, these grants are highly specific – 82 per cent of the grants are intended for a specific service area. Around a third are awarded on a competitive basis. With long-term certainty and local flexibility of funding for councils, local government can stimulate the low carbon economy by being able to plan a holistic pipeline of activity.

2.11. New proposals set out in the Future Homes and Future Buildings Standards, along with legislation in the Environment and Planning Bills will impact councils' ability to implement and enforce new standards. [There is a bigger opportunity to deliver change if the Environment Bill](#) is properly aligned to the Planning Bill and forthcoming sector strategies and that local government has appropriately skilled staff and adequate resources, particularly as these areas of work are set to increase.

2.13. There are a number of key areas that government's analysis of net zero funding should focus on in the next Spending Review. We support the [NAO's recommendations](#) for an integrated view of public spending across organisational boundaries and over the long term. There should also be a focus on greater partnership working between national and local government through a national framework, adaptation including flooding and waste.

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?

The leadership role of councils

3.1. Local government plays a leading role in accelerating the shift towards achieving net zero carbon. [Almost two thirds of councils in England are aiming to be carbon neutral 20 years before the national target](#) and 91 per cent of local authorities have adopted at least one net zero commitment, according to the [National Audit Office's \(NAO\) Local government and net zero report](#).

3.2. Councils want to work as partners with government, industry and communities to meet the UK's net zero target by 2050 or earlier and are well placed to do this. The LGA's [A local path to net zero](#) campaign sets out why councils should be trusted partners to tackle the climate challenge, reflecting on the functions and responsibilities that councils deliver in their areas. These are:

3.3. Place shaping – places are intrinsically local, and councils are the master planners. Councils deliver quality homes and shape whole environments that are sustainable and provide the right infrastructure, transport, connectivity and services that our residents want and need. This can support government to implement low place-based low carbon solutions, embed carbon reduction measures in the housing and building sector, transform transport networks and address adaptation.

3.4. Purchasing and market shaping powers – procurement is a key power that councils have to deliver net zero. Local government third party spend in 2019/20 was £63 billion. Through commissioning, councils bring together public, private and voluntary partners which can build capacity for low carbon goods and services, mobilise private investment and develop local skills and supply chains, particularly for small and voluntary providers.

3.5. Problem solving and delivery agents – we know every place is unique with diverse geographies, demographics, infrastructure and resources. Councils have demonstrated an ability to capitalise on local assets and opportunities to deliver local solutions and are trusted to do so. [Polling by the LGA](#) found 71 per cent of respondents most trusted their local councils compared to 18 per cent that most trusted government when it came to local decision making. Councils can therefore offer a repository of knowledge and experience to work out how to deliver net zero solutions on the ground and pilot new approaches to test and scale up.

3.6. Convening and communicating – councils are convenors and communicators for businesses and civil society. They have a longstanding ability to collaborate and build cohesion with local partners and residents which will be critical for addressing cohesion issues that will inevitably arise in the net zero transition. The Committee on Climate Change (CCC) say that as much as 62 per cent of the future reduction in emissions will rely on individual choices and behaviours. Councils can empower people and business to change their behaviours, translate national climate messages locally and reach hard-to-reach groups, and build public consent for inevitable disruptive change.

3.7. Assets – many councils have their own building stock, whether council-owned housing or commercial and institutional buildings such as retail units, schools and leisure centres. They are also significant landowners in the UK, having

responsibility for an estimated 27,000 parks and green spaces. Their assets can provide a pipeline of infrastructure for shovel-ready carbon reduction projects which can begin to develop low carbon skills, supply chains and markets.

3.8. There is significant expertise that local government can offer yet, there is little, if not any clarity from government about their expectations for the roles of councils, as well as government, business and civil society. This is articulated in the [NAO's Local government and net zero report](#) which states that “central government has yet to determine, in consultation with the sector, local authorities’ overall responsibilities and priorities in achieving the national net zero target” (p. 7). There is a risk that key government priorities set out in the Ten Point Plan and Energy White Paper, such as the installation of 600,000 heat pumps per year and rolling out heat networks will not effectively be delivered without a co-ordinated partnership with local government.

3.9. This is why we have been calling for central government to work with the local government sector and businesses to establish a national framework for addressing the climate emergency. This is supported by a number of organisations, including the CCC and UK100. The framework should outline responsibilities for the Government nationally for example, aligning the regulatory system, including the planning system and national tax incentives, and the local responsibilities, together with a commitment to cooperate with local public sector bodies. There should be a process of engagement between central and local government to ensure councils are adequately resourced and financially enabled to fulfil their roles and responsibilities.

3.10. We also want to work with the Government and local partners to find practical solutions to protect vital infrastructure and vulnerable communities facing extreme weather events and climate impacts. Locally developed Adaptation Pilots would test out different, integrated approaches, providing useful data on the costs and benefits of different place-based approaches to reducing climate risks, including assessing addressing interdependencies and inequalities.

3.11. In the absence of a clear role for local authorities, councils are already leading the way to decarbonise a range of sectors such as buildings, transport and waste and stimulate a green economic recovery.

Housing

4.1. One of the most effective areas of focus when it comes to addressing carbon emissions is the built environment, with more energy-efficient homes reducing reliance on fossil fuels. In addition to building energy efficient new homes, to achieve net zero by 2050, [close to 28 million homes will need to change](#) how they use energy through methods such as zero carbon heating systems.

4.2. Decarbonising existing council housing will require significant investment. Analysis undertaken by Savills for the LGA (available on request) estimates that the additional investment costs to achieve net zero carbon in existing housing stock held within councils’ Housing Revenue Accounts (HRA) is almost £1 billion per year over a 30-year pattern of investment. This will have an impact on other council housing programmes and the ability to deliver statutory functions.

4.3. Councils are committed to ensuring new, sustainable homes are built and communities have quality places to live, close to sustainable public transport options. It is vital that these are delivered through a [locally-led planning system](#)

with public participation at its heart, which gives communities the power to participate and engage in our national shift to a carbon neutral future.

4.4. The current projected funding shortfall across local government will limit councils' ability to upskill staff and carry out additional work in this space. We welcome Government's commitment to a £3.8 billion capital Social Housing Decarbonisation Fund, and we are calling on Government to urgently bring forward the remaining funding. This is still unlikely to be sufficient to meet the scale of the challenge and capital funding will not enable the resourcing and upskilling required for councils to decarbonise homes and buildings.

4.5. The LGA has called on the Government to provide councils with the powers and tools to help [Build Back Better](#), by delivering 100,000 much-needed social homes per year. [Analysis for the LGA by Pragmatix](#) has set out the steps, measures and reforms that would support councils to work towards delivering a new generation of social homes. Building 100,000 new social homes per year could result in £15 billion boost to the economy, and a homebuilding programme would offer a steady source of demand for green-tech skills and trades.

4.6. We are pleased the [Government has acted on our call](#) for local planning authorities to [retain powers local energy efficiency standards for new homes](#). By increasing the technical standards of new housing there is an opportunity to improve housing quality and tackle climate change, while also creating more resilient communities and growing the green building and skills sector.

4.7. We support the [Government's proposals in the Future Buildings Standard consultation](#) to mitigate overheating in new homes (Part 5) ensuring that they will be able to cope with the warmer climate of the future and do not negatively impact on the welfare or comfort of occupants. All buildings will also need to adapt to increasing flooding. We would like to see [building regulations changed to include mandatory flood protection measures for new properties](#). These would require developers to introduce measures like raised electrical sockets, fuse boxes, controls and wiring, sealed floors, and raised damp-proof courses. We recommend co-ordination with relevant government departments such as the Department for Environment, Food and Rural Affairs (DEFRA).

4.8. Different housing types will require different low carbon energy efficiency and heating solutions. [National Energy Action](#) cautions that universal technologies should not be applied because of the difference in costs between buildings due to factors such as building type and location. Affordable, low carbon solutions are place-specific, and councils would welcome continued support and leadership from the Government regarding technologies that will help in replacing existing gas boilers.

4.9. Heat network deployment is not evenly spread across the UK and offers less opportunities to decarbonise buildings outside of heat-dense, urban areas. There has also been a [poor uptake of alternatives to gas boilers such as heat pumps](#) because of their high cost. They are unfamiliar to consumers, and they are disruptive to retrofit. The success of the government's policy to decarbonise heating in homes needs the government to ensure that it is affordable for all households to install and heat an air pump. Meanwhile the CCC [recommends solar panels on roofs as a retrofitting option to increase the performance of a home's overall fabric](#).

4.10. Any new policies to encourage heat networks and all low carbon heating and energy efficiency measures should be implemented with the consumer interests at the core to ensure a fair energy transition. [Some buildings will never reach](#) high levels of fabric efficiency suitable for low carbon, low temperature heat. A just transition will be required [to ensure that any decarbonisation process is fair](#), especially for those [who are vulnerable or already in fuel poverty](#).

4.11. Examples of council activity on low carbon housing include [Rochdale Council](#) which retrofitted an existing leisure complex, Heywood Sports Village, by installing roof mounted solar PV panels and [Sutton Council](#) which built the first Passivhaus secondary school in the UK. It opened for pupils in 2019 and generates more energy than it uses. [City of York Council](#) is developing Passivhaus homes where residual minor heating requirements and hot water will be provided via air source heat pumps, with all other electricity usage offset by roof mounted solar PV panels. The homes themselves will be timber frame, with wood fibre insulation to ensure low embodied carbon. In addition, all schemes are low parking developments with a focus on cycling and walking with car free streets. The first homes will be complete in 2022.

Decarbonisation of transport:

5.1. Encouraging the uptake of Electric Vehicles (EVs) to replace internal combustion engine vehicles and increasing modal shift from car journeys to more sustainable active travel and public transport are the two main elements of transport decarbonisation. Surface transport accounts for 23 per cent of UK GHG emissions. Car journeys alone generate 59 per cent of these emissions.

5.2. Modal shift must be local authority led. Only councils have the local knowledge and range of powers as the planning, transport, parking and highways authorities to develop high quality sustainable local transport alternatives to car use.

5.3. The greatest opportunity for modal shift is in towns and cities. Higher population and employment densities make journeys shorter and busier – 43% of all journeys in towns and cities are under two miles. Making walking, cycling and public transport a viable alternative to car journeys. Brighton and Hove City Council has led the way in [encouraging modal shift to bus](#) and [encouraged the electrification of the bus fleet](#) to reduce carbon emissions and improve air quality.

5.4. Modal shift can reduce car ownership. If councils can provide local sustainable transport networks that are sufficient, this will reduce car ownership. This would result in both more sustainable car journeys and avoid carbon emissions required to construct Electric Vehicles. Household car availability is falling in several densely populated local authorities that are well-served by public transport and amenities nearby. In inner London, 60 per cent of households have no access to a car, compared to less than 32 per cent in outer London. Only 20 per cent of households in the rest of England lack access to a car.

Modal shift aligns with ambitions to reduce congestion, enable more housing, and improve air quality and public health.

6.1. Councils have a strong track record of supporting a modal shift towards reducing car and public transport GHG emissions. The LGA has published a series of briefings on [how local government can decarbonise transport](#). Buses play an important role in reducing carbon emissions as one of the most carbon efficient modes of passenger transport. Even modest increases in passenger load would yield significant improvements in transport decarbonisation.

6.2. [London has the highest level of bus use in the country, with journeys doubling between 2000 and 2010 while car ownership levels fell.](#) Transport for London (TfL) has full control of the franchised bus network, setting the fares, frequencies, routes and quality of services to encourage people to switch.

6.3. Local control also encouraged faster uptake of electric buses. When Prime Minister Boris Johnson was the Mayor of London, he [purchased fuel efficient vehicles directly](#) and required private operators to use them on particular routes. [London now has the largest fleet of electric buses in Europe.](#)

6.4. The LGA welcomes the National Bus Strategy. It provides clarity from central government on the role of councils and expectations on them. It also addresses the practical problems local transport authorities have faced in using the Bus Services Act. The creation of the Bus Centre of Excellence to provide pooled and common resources is a welcome recognition of the role national government should play to support councils. The £3 billion of funding committed up to 2025 for buses is welcome but must be balanced against the [£700 million hole in the concessionary travel fares schemes.](#)

6.5. The LGA welcomes the Cycling and Walking Investment Strategy published in 2020. It provides clear guidance and support for councils, recognising the role only they can play to build new cycle paths and reallocate road space. The strategy acknowledges the challenges faced by councils in delivering increased cycling and walking. The LGA welcomes targets to double walking and cycling by 2030 in towns and cities.

6.6. The strategy called for the creation of Active Travel England. The LGA welcomes consultation on the form and function of Active Travel England. It is important that the body is rapidly and effectively initiated so that it can begin providing essential support to local authorities.

6.7. The LGA welcomes the recent Transport Decarbonisation Plan. It combines the positive progress from the individual modal strategies. The Plan recognises the leadership role only councils can play to encourage a local modal shift.

6.8. The Transport Decarbonisation Plan restores the importance of Local Transport Plans (LTPs). It sets a clear new responsibility for these LTPs: to deliver specified local transport carbon reduction.

6.9. In towns and cities, LTPs must deliver reductions in traffic but without a clear target. Some estimates put the required national reductions in overall traffic at 20 per cent by 2050. But the Transport Decarbonisation Plan does not require rural authorities to reduce traffic levels, although it hopes for some if possible. This implies steeper than 20 per cent falls in urban areas. The Government should provide clarity on the expectations for councils within their LTPs, but also on the responsibility for modal shift it must take in its role incentivising the price of buying and running an EV.

6.10. These strategies represent a significant improvement in the certainty of the role that local government will be required to play in reaching Net Zero by 2050 and its responsibilities in doing so.

6.10. For councils to fully capitalise on new powers and increased role clarity, greater funding and certainty will be essential. Local transport authorities need clear, flexible, multiyear funding to build capacity to set the plans and deliver the schemes needed to fulfil their role.

6.11. Greater London has benefitted from [stable, multi-year year funding settlements](#) for nearly two decades. The long-term certainty, scale and flexibility of funding of the [Greater Manchester Transport Fund](#) enabled investments in Metrolink providing a five per cent increase in public transport capacity into the city centre. Mayoral Combined Authorities will soon begin their second five-year transport capital funding once the Transforming Cities Fund ends in 2022. This model of funding provides the certainty and confidence to invest in in-house capacity and develop pipelines of projects of scope. This is not possible for local authorities with less certain and regular funding streams.

6.12. We welcome central government taking the lead in decarbonisation of road traffic, providing subsidies for EVs, support for EV and battery manufacturing, and new charging installations across residential, employment and motorway sites.

6.13. Councils are supporting central government when it comes to the decarbonisation of cars on the road. Westminster has demonstrated the speed at which local authorities can act when the market conditions are strong. [The borough has more than 1000 public chargepoints in place today, rising to 1500 by April 2022](#). Many local authorities are also providing free parking for EVs to encourage uptake.

6.14. The role and potential of councils to support central government to provide on-street charging is not yet clear. [Analysis by Local Partnerships](#) for the LGA showed that local authorities were unclear on the Government's strategy and the role expected of them to provide on-street charging. Accessing and using funding has been difficult for many councils. The result has been an underspend in on-street charging despite the clear desire of central and local government increase delivery speed.

6.15. Councils as fleet operators are investing in electric vehicles to save costs and reduce carbon emissions. [In Swale, this has provided quick returns](#) and keeps the authority on course to be carbon neutral across its estate by 2025.

Leadership from government on the balance required between subsidy and uptake of EVs and the impacts on local modal shift.

6.16. Government analyses are clear that the fastest uptake of EVs will lead to the highest traffic levels and congestion, and the hardest direct impact on public finances without a fuel duty equivalent to tax on EV mileage. [DfT forecasts](#) for traffic levels in 2050 range from a low case of 340 billion vehicle miles (bvm) per year to 430 (bvm) per year. Shift to EVs represents the highest growth scenario due to the effective low fuel cost. Low-cost motoring matters to decarbonisation and the viability of local transport systems. The freeze in fuel duty since 2011 has supported incomes of car owning households but is estimated to have increased traffic by 5%.

Since The [Treasury's Net Zero Review interim report](#) carefully makes clear that Fuel Duty is the main source of tax revenue from carbon emissions, and accounts for nearly 3 per cent of total revenues. The Net Zero Review clearly states that 'government will need to make decisions over time and in light of economic conditions about whether or not to adjust taxes in order to maintain revenue in a low-carbon economy, or to balance any loss of tax revenue with reductions in spending.'

6.17. Higher traffic levels and lower tax revenues would imply a failure of modal shift policy towards walking, cycling and public transport. The value of current investments would shrink and ongoing costs for underutilised bus or rail systems

grow. This matches the potential market failures that the Net Zero Review warned about. To get the greatest benefit of EVs and help local authorities hit the ambitious targets for modal shift government has set them requires further leadership from central government on how to balance both strands of decarbonisation, alongside pressures on congestion, air quality and sustainable development. This issue was not adequately addressed in the Transport Decarbonisation Plan.

6.18. The viability of local authorities' Local Transport Plans will require urgent clarity from central government. Upfront subsidies for buying an EV could be matched by up-front subsidies for people giving up private car use and switching to sustainable modes. In Coventry, car owners are receiving mobility credits up to £3000 to give up their car. Mobility vouchers is an idea mentioned in the Transport Decarbonisation Plan as local policy. A clear national policy and national funding in line with EV purchase subsidy would be welcome.

6.19. Fuel duty's role as a road user tax for petrol and diesel vehicles could be replicated with a replacement road user tax for EV. The Government has already [stated](#) that it wants motoring taxes to keep pace with the shift to zero emission vehicles. [Proposals for doing this in ways that support EV uptake have been presented](#). This ensures government asks EV drivers to pay a user charge in the way that local government asks public transport passengers pay in the shape of bus, rail and tram fares.

6.20. Local logistics and freight remain a major gap in the approach to transport decarbonisation. Light goods vehicles (LGVs) emissions are rising while other vehicles' emissions are falling. Nearly one-in-five miles driven last year was by an LGV, generating nearly one-fifth of surface transport GHG [emissions](#). It is a major area for local surface transport decarbonisation, but councils have few powers to encourage modal shift for delivery. This in contrast to the clear role given to councils to support a modal shift to bus use through the Bus Services Act and National Bus Strategy.

6.21. Councils are encouraging the shift to more sustainable modes of delivery such as e-cargo bikes, or through consolidation of deliveries to increase efficiency. Some [have taken steps to improve the efficiency of their own freight journeys](#). However, councils can only affect a small segment of the market. The ability of councils to take further action is limited due to an absence of powers to intervene in highly competitive local markets that produce significant negative externalities on carbon, air quality, and congestion. The Transport Decarbonisation Plan makes a small mention of a trial for last mile delivery franchising. The LGA would welcome more clarity from government on the role it expects councils to play to support local logistics reach Net Zero 2050.

Waste and recycling

7.1. Waste avoidance provides a significant opportunity for reducing Green House Gas (GHG) emissions. Indeed, the circular economy model provides an opportunity to facilitate low carbon approach to consumerism. It is positive that the Government has the recent consultation on the Government's published a consultation on the waste prevention programme, as well as consultations on extended producer responsibility and a deposit return scheme for drinks containers. We have called for government strategy to give equal priority to waste prevention alongside measures to increase recycling. Avoiding waste in the first place is the best environmental outcome. The LGA responded to the recent consultation on the Government's waste prevention programme, published

alongside the consultations on extended producer responsibility and a deposit return scheme for drinks containers.

7.2. The [Circular Economy](#) is restorative and regenerative by design and keeps products and materials circulating within the economy at their highest value for as long as possible. It is resource efficient, minimising resource consumption and reducing the greenhouse gas emissions that are associated with it. Councils can play an important role in facilitating the introduction of circular economy principles through procurement or promotion within their own activities. This can help to drive behaviour change down through the supply chain as well as facilitate access to goods and experiences to a broader socio-economic base.

7.3. The right investment in waste and recycling infrastructure will help towards achieving the net zero target and a circular economy for resources. Councils have a strong track record in delivery, diverting millions of tonnes of household waste from landfill. In 2018/19 [2.8 million tonnes of household waste was sent to landfill](#) compared to 14 million tonnes in 2012/13.

7.4. Further investment in the capacity of the UK's recycling infrastructure is essential if the Government wishes to expand the core set of materials collected from households and achieve its ambitions on increasing recycling rates for plastic, particularly low-grade plastics that do not currently have a ready market.

7.5. To help achieve a reduction in landfill, councils are ready to play their part in consistent household collections, but this is only one part of the recycling system. The responsibility for stimulating markets for recyclate (raw material that is processed in a waste recycling plant or materials recovery facility) and delivering greater investor confidence is held broadly across a range of actors. Government is ultimately responsible for the conditions in which the domestic market for reprocessing can be stimulated, including the delivery of necessary infrastructure.

7.6. The introduction of the [extended producer responsibility scheme](#) vertically integrates the producers of packaging and packaged goods for the first time. This means that decisions made at the production end of a products life will consider the management of that product and its packaging at the end of its life. The LGA is highly supportive of this approach and encourages the Government to include other products in the scheme as soon as possible.

Green skills

8.1. The demand for low carbon jobs will require a diverse range of skills and expertise to roll-out low carbon technologies. However, to date, the ability to meet the skills needs of businesses has not been successful. Pre-COVID-19, [four-fifths of UK manufacturers](#) struggled to hire the staff with the right qualifications and experience, according to the British Chamber of Commerce. [LGA research](#) also revealed real concerns about immediate (2020 – 2025) skill gaps in nuclear construction, design and planning supply chain, design and installation of heat pumps, and within the financial services.

8.2. Local government is ideally placed to understand how employer demand is changing and how the local skills profile of an area needs to adapt. This is difficult to do within the confines of what is still a highly centralised and fragmented employment and skills system. Whilst national and local government's net zero targets will drive demand for low-carbon goods and services over the coming years, it is crucial that there is a workforce in place to deliver the change needed

by 2050. These challenges have already been recognised by the Environment Audit Committee in their highlighted in the [Committee's survey about the Green Homes Grant scheme](#).

8.3. The LGA published analysis in its [local green jobs – accelerating a sustainable economic recovery](#) report, developed by Ecuity Consulting LLP, which shows that nearly 700,000 jobs could be created in England's low-carbon and renewable energy economy by 2030, rising to more than 1 million by 2050. Importantly, these jobs are projected to be generated across England's local authorities and regions in the North, Midlands, East, South and London. Matching skills supply with industry demand through effective local targeting is critical.

8.4. However, most employment and skills funding and programmes are nationally commissioned, which makes it difficult to meet, and respond to local need and demand. Energy efficiency measures are often delivered by local SMEs and there is potential to target policies to create jobs in deprived areas, including those most impacted by COVID-19, supporting the Government's levelling up agenda.

8.5. [Work Local is the LGA's positive proposal for change](#), providing a platform for supporting the shift needed for the green and sustainability sectors. It provides a framework for an integrated and devolved employment and skills system that is fit for the future and should be used as a blueprint for skills and employment devolution that works for all people and places. The Government should back and fund the trialling of the Work Local model.

8.6. Councils are leading a green recovery from the pandemic and are well-placed to support the Government's commitments set out in the recently published UK Hydrogen Strategy. The Strategy sets out the approach to developing a low carbon hydrogen sector in the UK and will support over 9,000 high-quality jobs and unlock £4 billion investment by 2030, rising to 100,000 jobs and worth up to £13 billion by 2050. We welcome the commitment to work in partnership with industry, the research community and local authorities to harness the necessary skills and councils are already demonstrating leadership in hydrogen. For example, [Brighton and Hove City Council's Hydrogen Sussex](#) is a new body developing the hydrogen economy across Sussex. It promotes hydrogen technologies and local supply chains and brings together key public and private sector partners to make Sussex a leader in a clean hydrogen economy.

Energy

9.1. Grid costs are a major consideration for councils when it comes to unlocking infrastructure development, including rolling out electric vehicle charge points. This is because payments for grid connections are structured to protect against increased charges for existing customers. If the grid needs reinforcement, the first applicant must pay for the work that subsequent connections then benefit from. Whilst the initial investor would benefit from contributions from subsequent connections that benefit from the upgrade, there is difficulty in facilitating collaboration between applicants due to client confidentiality and GDPR. Grid capacity and curtailment can stagger the roll-out of renewable energy to meet 2050 goal. There is a need to invest in ensuring grid capacity and alternative solutions.

9.2. To support the local implementation of low carbon solutions and technologies, councils need a resilient and flexible energy system and public-

private sector cooperation which is aligned to growth expectations is critical. We welcome [Ofgem's network charging review consultation](#). It should better support investment in new capacity and develop a more flexible energy system that empowers local and community energy. Any new policies must ensure that the consumer is at the centre.

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

10.1. Any changes to the planning system need to have sustainability at the heart and therefore must consider the improvements and strategic interventions necessary to support our shift to a carbon neutral future. We welcomed the [recently expanded definition of sustainable development in the National Planning Policy Framework \(NPPF\)](#) which now includes the 17 UN Global Goals for Sustainable Development. Through the planning system, local government plays a vital role in [leading the way to address climate change, reduce carbon emissions, and create the sustainable places](#) we need. Councils need the tools to become exemplars for using new smart technologies and sustainable construction methods supported by appropriate investment.

10.2. The LGA has concerns with [the Government's proposal as part of the planning reforms](#), for the current Sustainability Appraisal system to be replaced with a single statutory "sustainable development" test. This would consider whether a Local Plan contributes to achieving sustainable development in accordance with policy issued by the Secretary of State. There would no longer be a requirement to consider viability or a 'Duty to Cooperate', although further consideration will be given to strategic cross-boundary issues, such as major infrastructure or strategic sites proposals to replace the existing approach for environmental assessments with a quicker, simpler framework simply to speed up the process. Whilst we support greater efficiency in the planning system, the [White Paper proposals](#) have not provided evidence that a "simpler test" and "slimmed down" approach will support achieving greater sustainability. It is also important to enshrine within the Planning Bill commitments to net zero transition, nature recovery and climate resilience.

10.3. We have called for the Government to bring the Planning Bill forward in draft form to enable consultation and pre-legislative scrutiny. This is to ensure that we take the time needed to make the right improvements to the planning system and that it aligns with the Environment Bill and the Climate Change Act. Conversely, if we get this wrong, the impacts will last generations, and some will be irreversible.

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?

11.1. From late summer 2021, the [UK Infrastructure Bank will be able to lend up to £4 billion to local authorities](#) to help them meet its core objectives of achieving the 2050 net zero target and supporting regional and local economic growth. Funding will be aimed at large (at least £5 million), ambitious projects, and the bank will offer advice and expertise to help local authorities with development and delivery.

11.2. Capital funding is welcome. The scale of the net zero challenge is profound, and we know that the transition to a low carbon economy will require significant

private sector investment. Analysis undertaken by Savills for the LGA, (available on request), estimates that the additional investment costs to achieve net zero carbon in existing housing stock held within councils' Housing Revenue Accounts (HRA) is almost £1 billion per year over a 30-year pattern of investment. The Infrastructure Bank goes some way to harnessing capital for large-scale infrastructure such as retrofitting. However, it will be important that Government utilises the momentum of COP26 to mobilise the global finance community towards the decarbonisation agenda and ensure that the financial mechanisms are in place to translate national and international finance into the delivery of locally-led solutions.

11.4. Capital funding must be combined with revenue funding to ensure councils have the capacity to deliver projects. The Bank's advice and expertise offer is positive but councils will need long-term resources internally to build the necessary skills and capacity to deliver on net zero for the future.

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

Funding for local authorities on net zero

12.1 Access to finance is key to the delivery of a comprehensive response to the climate emergency. In publishing a Green Finance Strategy, the Government has recognised the need for a comprehensive approach to greening financial systems, mobilising finance for clean and resilient growth, and capturing the resulting opportunities for UK firms. Meanwhile, the measures taken by local authorities in support of the response to the COVID-19 pandemic have strained local authority budgets (see response to question 5 below).

12.2. [Surveys suggest that councils managed over £8 billion of additional cost pressures](#) and £3 billion of lost income, excluding business rates and council tax, since the pandemic began. It is welcome that the Government compensated a significant portion of this. [Early analysis by the LGA](#) ahead of the forthcoming Spending Review shows that councils face average annual cost pressures of £2.5 billion to maintain services at their current level of access and quality. Of this, £1.1 billion per year is related to adult social care in addition to a £1.4 billion provider market pressure. This shows that unless adult social care funding is fundamentally fixed, councils will always be under financial pressure.

12.3. Finance will be a key focus of both the recovery and renewal programme following the COVID-19 pandemic, and to delivering a net zero future. Funding will also be required for councils to prevent, adapt to and respond to the impacts of extreme weather events, such as flooding, storms, drought and heatwaves which will affect infrastructure and lives. The Government rightly recognises that the transition to a net zero future requires an enormous shift in the global financial system by [identifying finance as one of the four COP26 goals](#). This is a positive step to mobilise investment from both the public and private sectors.

12.4. However, it will be important that financial investment led at the international and national scale is translated into the delivery of locally-led solutions. At present, the [NAO's report](#) states that neither MHCLG nor HM Treasury has assessed the totality of funding that central government provides to local

government for net zero. [The LGA's Financing Green Ambitions Guide](#) identifies some of these funding sources available to councils for net zero projects and infrastructure.

12.5. From late summer 2021, the UK Infrastructure Bank will be able to lend up to £4 billion to local authorities to help them meet its core objectives of achieving the 2050 net zero target and supporting regional and local economic growth. Funding will be aimed at large (at least £5 million), ambitious projects, and the bank will offer advice and expertise to help local authorities with development and delivery. Capital funding is welcome, but councils also need revenue funding to ensure they have the capacity to deliver.

12.6. There are a number of challenges facing council finances. The LGA's [Build back local: Building back better](#) sets out the core issues of uncertainty, spending power and fragmentation. For the fourth year in a row, councils are facing significant uncertainty over funding for next year, both nationally due to one-year spending reviews and local government settlements, and locally due to the uncertainty around the future of further business rates retention and fair funding review reforms. We know that the transition to a low carbon economy will require both public and private sector investment. Long-term certainty and clarity will be necessary to create an environment for businesses to invest in net zero, for example, in green apprenticeships or courses in the further education sector. With long-term certainty and local flexibility of funding for councils, local government can stimulate the low carbon market by being able to plan a holistic pipeline of activity.

12.7. Council funding is also extremely fragmented and often ring-fenced and competitive. This is stated in both the NAO report and the CCC local authority report. [LGA research](#) shows that in 2017/18, nearly 250 different grants were provided to local government. Half of these grants were worth £10 million or less nationally. At the same time, these grants are highly specific – 82 per cent of the grants are intended for a specific service area. Around a third are awarded on a competitive basis and the small value of grants means that more can be spent by councils on preparing bids than is received back.

12.8. [The NAO estimates](#) that in 2020-21, there were 22 dedicated funds that local authorities could bid for, for work related to net zero. They found that the distribution of these funds favours larger authorities who have the capacity and resources to bid, and those that have projects ready to go. Many funding sources available to councils are also managed by different government departments despite shared outcomes for decarbonisation. This significantly undermines councils' abilities to plan effectively over the medium-to-long-term and holistically to focus on the needs of local communities.

12.9. For example, [Work Local](#) is the LGA's proposed framework for an integrated and devolved employment and skills system that is fit for the future. Across a local area, Work Local could each year result in 8,500 more people in work and 6,000 increasing their skills. That means that for the average combined authority, £280 million benefits to the public purse alongside a £420 million boost to the economy. The Government should back and fund the trialling of the Work Local model.

12.10. Councils know their local areas and communities. To be successful in the

future they need long-term certainty and local flexibility of funding to create a net zero future. This will enable councils to plan much more effectively and holistically. Local government is ready to work with national government to maximise the outcome from any additional funding and to work with partners to ensure that everyone is contributing towards the investment that is needed. Ensuring producers pay for the waste they create is a step in the right direction, ensuring that the cost of processing waste is borne by those who have created it.

Skills and capacity in local authorities to deliver net zero

13.1. The LGA's [climate change survey](#) of Directors of Environment or equivalent in councils across England, found that funding (96 per cent), followed by legislation or regulation (93 per cent) and lack of workforce capacity (88 per cent) are the most frequently identified barriers to tackling climate change. The areas of expertise most frequently identified as in need of further support were green economic recovery planning (95 per cent of respondents) and low carbon procurement and budgeting (92 per cent of respondents).

13.2. Similarly, within planning departments, between 2010-11 and 2017-18 there was a 37.9 per cent fall in net current expenditure on planning functions and planning departments. Planning fees also do not cover the true cost of processing planning applications, with [taxpayers subsidising the cost at a rate of nearly £180 million a year](#). Developing skills and capacity in key areas of council responsibility to support the transition to net zero such as planning and housing, flooding, protection for nature and, biodiversity will be key. This is particularly true as these areas of work are set to grow and change in response to climate change, the Environment Bill and planning reform. Only 26 per cent of councils in England employed in-house ecologists in 2018 according to an [Ends report](#). We would like to discuss these capacity issues with government in a strategic and coordinated way.

13.3. New proposals set out in the [Future Homes](#) and [Future Buildings Standards](#), along with legislation in the Environment Bill and Agriculture Bill will impact on councils' ability to implement and enforce new standards. [There is a bigger opportunity to deliver change if the Environment Bill](#) is properly aligned to the Agriculture Act and forthcoming Planning Bill. Getting land use right is a key factor in protecting nature and meeting net zero targets.

13.4. The Environment Bill also points to a new environmental relationship between local and national government where councils will have a new environmental improvement role. Local government is well placed to lead this agenda, but they will need to have appropriately skilled staff and adequate resources.

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

14.1. As per our response to question 4 on local government funding, the next Spending Review must address the core issues of funding for councils. [Early analysis by the LGA](#) shows that councils face average annual cost pressures of £2.5 billion to maintain services at their current level of access and quality. Of this,

£1.1 billion per year is related to adult social care in addition to a £1.4 billion provider market pressure. This shows that unless adult social care funding is fundamentally fixed, councils will always be under financial pressure.

14.2. Long-term certainty and clarity from the next Spending Review will also be critical for ensuring a green economic recovery from the pandemic. For the fourth year in a row, councils are facing significant uncertainty over funding for next year, both nationally due to one-year spending reviews and local government settlements, and locally due to the uncertainty around the future of further business rates retention and fair funding review reforms.

14.3. We know that the transition to a low carbon economy will require both public and private sector investment. Long-term certainty and clarity from the Spending Review will be necessary to create an environment for the private sector to invest in a net zero economy and skills, for example, in green apprenticeships or courses in the further education sector. Local government can stimulate the low carbon economy by being able to plan a holistic pipeline of activity. Government must also use the momentum of COP26 to mobilise the global finance community towards the decarbonisation agenda. The scale of the net zero challenge is profound, and the financial mechanisms need to be in place.

14.4 There are a number of key areas that the Government's analysis of net zero funding should focus on in the next Spending Review. We support the [NAO's recommendations](#) for an integrated view of public spending across organisational boundaries and over the long term to make well-informed budgeting decisions. The Spending Review structure should better account for issues that span departmental boundaries where responsibilities for considering local authorities' resourcing for net zero are split across MHCLG, Department for Business, Energy and Industrial Strategy (BEIS), Department for Transport (DfT), Department for the Environment, Food and Rural Affairs (DEFRA) and HM Treasury.

14.5. The Government should work with councils and businesses to establish a national fiscal and policy framework for addressing the climate emergency. This framework should outline responsibilities for the Government nationally – for example, aligning the regulatory system, including the planning system and national tax incentives – and the local responsibilities, together with a commitment to cooperate with local public sector bodies. There should be a process of engagement between central and local government and industry to enable councils to fulfil their role to translate a national framework into transformative local plans that deliver on this agenda and invest in solutions for a green recovery and future.

14.6. Alongside the framework we need to pilot place-based approaches that will help us speed up the pace of action and achieve economies of scale. We need to be bold and let local areas lead the green recovery and give them the opportunity to test radical new approaches, such as devolving skills and powers funding and responsibilities to speed up the green recovery.

14.7. The LGA would welcome the opportunity to work with Defra on the implementation of waste and recycling reforms. Councils have a strong track record in reducing the amount of waste sent to landfill and using technology to make services more efficient and reduce road journeys by collection teams. We

welcome the introduction of extended producer responsibility (EPR) and new legislation that will require the manufacturers and retailers of packaging to pay councils the full cost of material that ends up as household waste and litter. This must also include costs associated with increasing the recycling rate. The funding arising from the EPR should flow in its entirety to local government.

14.8. Defra has set out proposals to make recycling collections from households and businesses more consistent. The LGA supports the principal of a core set of materials for recycling, but how the materials are collected must remain a local decision. We welcome the confirmation from Defra that the additional responsibilities for councils, such as mandatory weekly collection of food waste, will be covered by new burdens funding. Councils need clarity over timescales for implementation. Councils and infrastructure providers operate on long term contracts of up to 20 years (for example for energy from waste facilities) and we need to work with Defra to ensure that the financial implications of breaking those requirements is fully understood. Where contracts must be changed or broken because of Defra's waste and recycling reforms the costs must be covered in full by government.

14.9. Adaptation needs to be a key area of focus as well. The impact of climate change will be hard on communities and damaging to local economies. Councils are often first responders when there are extreme weather events and, just as with the pandemic, are able to coordinate relief efforts through partnerships and networks. Early warning and climate adaptation programmes need to be rolled out across all councils to address flooding and heatwaves. Councils need to bring local partners together to find practical solutions to protect and future-proof vital infrastructure and vulnerable communities. Locally developed adaptation pilots would test out different, integrated approaches, providing useful data on the costs and benefits of different place-based approaches to reducing climate risks, including assessing addressing interdependencies and inequalities.

14.10. Government must also integrate adaptation into current and forthcoming policies and there are opportunities to do this in the Building Regulations and National Planning Policy Framework reviews and, the Heat and Buildings and comprehensive Net Zero strategies. Greater clarity from the government on adaptation can support councils in their own adaptation planning and we want to work with Government on renewed and fully funding adaptation plans.

14.11. The current funding model for flood and coastal erosion risk management is overly complicated and not designed to deliver local priorities. Moving to a block grant funding approach and allowing local authorities to self-assure small projects would be far more beneficial for smaller scale projects and local priorities. This would reflect the increased levels of damage inflicted on communities by surface water flooding, as climate change has intensified the frequency of storms and prolonged periods of heavy rain.

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

15.1. The LGA has been calling for greater strategic partnership working between national and local government to tackle climate change. Councils share in the ambition for a green industrial revolution and need strategic engagement with

government to deliver shared net zero outcomes. One of the challenges faced by councils in delivering their net zero plans is that responsibility for climate change is held across a number of Ministries and Government departments and there is a lack of co-ordination. This has been identified by the CCC and [recent National Audit Office report](#).

15.2. We have already seen some strategies that have been published by different departments. These include the Prime Minister's Ten Point Plan, Energy White Paper by BEIS, Transport Decarbonisation Plan by DfT and most recently, the UK Hydrogen Strategy. We are also expecting forthcoming legislation in the Environment and Planning Bills and further sector strategies including Heat and Buildings by MHCLG and the comprehensive Net Zero Strategy by BEIS.

15.3. Councils have a key role to play in the implementation of these, and the onus is on local authorities to bring together piecemeal and sometimes competing policies. Alignment between the Environment Bill and Planning Bill, as well as sector strategies will be critical for effective implementation by councils and we can offer our support at an earlier stage to co-produce strategies, including funding mechanisms (see question 4 for our response on funding for councils).

15.4 Responsibility for adaptation also sits across several departments and a greater focus has been on mitigation in Government strategies and announcements. The risks of climate change will affect different sectors and therefore different government departments differently. However, these risks are not owned by the departments that will be affected. For example, the risks to health from overheating in homes will affect health departments who own the impact (mortality and morbidity) but planning and business departments own the policy response (building regulations and planning).

15.6. Cross-departmental working is critical, and Government must integrate adaptation into current and forthcoming policies such as the Building Regulations review, review of the National Planning Policy Framework, NHS Green Plans and Heat and Buildings Strategy. According to the CCC (p.23), "in the past three years, the opportunity was missed in 11 of 15 relevant major UK Government announcements to include integrated plans to adapt to climate change alongside those for reducing emissions". Greater clarity from the government on adaptation can support councils in their own adaptation planning and we want to work with Government on renewed and fully funding adaptation plans.

15.7. We have been calling for a Ministerial/local government climate taskforce to be set up, bringing Ministers and local leaders together to drive co-ordinated and cross cutting action on climate change. We propose that this is led by MHCLG and provides a forum for a greater national-local government partnership.

15.8. In order to deliver climate action at the pace and scale required by 2050, there needs to be greater coordination not just across Whitehall but with all levels of government. The LGA has set up a Climate Change Task Group to oversee our strategic engagement with government on climate change and we can offer this forum to discuss how central and local government can work closely together in a co-ordinated way. There is a real opportunity this COP26 year to strengthen partnership working with regional and local government and step-up delivery of climate ambition.

15.9. We welcome the Cities, Regions and Built Environment day that is taking place during the COP26 summit. It will be important that local government in the UK has a key role in designing and participating in that day. We are also asking for formal representation of regional and local government through a dedicated chapter for subnational governments in the official agreement reached at COP26.

15.10. This should go beyond the current reference in the COP21 Paris Agreement to cooperation at all levels, recognising the importance of subnational actors in co-designing and delivering climate action and seeking to ensure that local government is politically and financially empowered to meet that ambition. Commitment to empowering local government should also be reflected in the updated National Determined Contributions (NDCs) to the United Nations Framework Convention on Climate Change (UNFCCC). As host, it is important that the UK Government champions inclusion and collaboration with local and regional governments in the NDCs.

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

16.1. To deliver significant progress on net zero, it is going to be necessary to bring the public along with us and ask the public to make further behavioural changes. We have already made some of the easier changes, such as swapping to reusable shopping bags and water bottles and increasing recycling rates. However, a step change is needed in the next stage to encourage using less, whether it's less driving or energy consumption and transitioning more, whether it's modes of transport or renewable energy technologies. The CCC estimates that future reductions in emissions will rely on as much as 62 per cent of our individual choices and behaviours.

16.2. Councils are convenors and communicators for civil society and local businesses. They have a longstanding ability to collaborate and build cohesion with local partners and residents which will be critical for addressing cohesion issues that will inevitably arise in the net zero transition. Councils can empower people and business to change their behaviours, translate national climate messages locally and reach hard-to-reach groups, and build public consent for inevitable disruptive change. This is important social capital for local community resilience building, such as with the emergency flood management planning and other climate adaptation measures that depend, as did the pandemic, on strong collaboration between councils, communities and other organisations.

16.3. Councils are already doing this with their local communities. The LGA's [A local path to net zero](#) campaign highlights the significant role of councils in advancing the UK's net zero ambitions and our offer to government in the lead up to COP26. It includes a range of video case studies and 'talking heads' from industry experts such as Community Energy England and the Climate Assembly that talk about the important climate activity councils and local communities are doing. The LGA is promoting this work through our [Pass the Planet campaign](#).

16.4. Examples of councils working with local community groups on climate projects include:

- At [Swindon Borough Council](#), a solar offset scheme was launched at the Chapel Farm solar site in April 2020. It provides clean electricity to nearby homes and was part-financed by the local community where residents receive a financial return on their investment.
- At the [Royal Borough of Kingston Upon Thames](#), they undertook a project to restore the Berrylands Nature Reserve, a local space rich with wildlife, woodland and a mosaic of habitats. It is looked after by local volunteers and the Council invited local residents to a scything workshop, to help them learn new skills and engage with the natural environment.
- [Warwickshire County Council](#) has committed to reducing carbon emissions to net zero by 2030 and is supporting its communities to do the same by 2050 at the very latest. To overcome barriers to action and to enable communities to deliver their own local solutions, the council created a £1 million fund Community Climate Change Fund called Green Shoots.
- Entrust, a joint venture between Capita and [Staffordshire County Council](#) has worked with numerous schools and district councils to deliver ambitious decarbonisation programmes across Staffordshire, empowering and transforming schools so that they are fit for the future in carbon and energy terms.
- Councils have also played a critical role in supporting the business community throughout the pandemic. They delivered over [£19 billion worth of grants](#) to ensure local business could be sustained. Many councils also set up redundancy and recovery taskforces. Councils have built up business networks and support mechanisms which can continue to be used for engagement with the business community as well as civil society on net zero and build knowledge and capacity with these groups on net zero.

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