

Written evidence from London Councils

London Councils

1. London Councils represents London's 32 borough councils and the City of London. It is a cross-party organisation that works on behalf of all its member authorities regardless of political persuasion.

Summary

2. Central government has not set clear expectations around the role of local government and net zero. It must recognise the crucial role of local government as a key delivery partner for net zero policy, and as trusted place-centred leaders with the ability to take holistic action as well as holders of significant direct control over emissions. If it does not, our ability to reach net zero across the country will be hampered.
3. The planning system must be strengthened so that delivering on the national net zero target is integrated into all planning decisions and embedded in building regulations.
4. We welcome the creation of the UK Infrastructure Bank (UKIB). It must engage with a wide range of local government stakeholders as it forms its lending criteria and metrics and ensure it makes its decisions in a transparent manner.
5. Central government must increase the funding available to local government for net zero, whilst reducing its complexity and ensuring that long-term commitments are made to future programmes.
6. Central government should work with local authorities to identify what level of additional funding is required to reach net zero, particularly around local government capacity.
7. Central government must improve its engagement and coordination with local government, as we are crucial partners for net zero. It should create a local and central government taskforce on climate change to facilitate this.

Responses to the committee's questions

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. We agree with the NAO's conclusions in this area.¹ To date the UK Government has failed to clearly delineate the role of local authorities in the collective effort to reach net zero. For local

authorities, this leads to avoidable confusion as to what actions they should be taking to tackle carbon emissions in their area and creates avoidable duplication in work. In some cases, this uncertainty from central government has also led to understandable delays in action from local government.

9. However, councils are very clear that they are a key delivery partner for net zero, and have a crucial role in tackling carbon emissions and helping the country to reach net zero. 30 London boroughs have now committed to net zero targets before 2050, and 25 have published Climate Action Plans setting out how they will meet those ambitions, with all boroughs due to publish a Climate Action Plan in due course. London boroughs have also agreed an ambitious Joint Statement on Climate Change (December 2019), which commits to collaborative action in seven key areas: retrofitting; new build/planning; transport; energy; consumption emissions; green economy; and resilience and adaptation.
10. Local authority action will be essential for delivering emissions reductions in a way that is holistic, garners community support, and ensures a just transition. Local authorities can collaborate across their functions and ensure that the action they take to decarbonise their area doesn't have detrimental effects on other areas of policy and that it contributes to tackling issues such as inequality and air pollution. For example, in developing traffic management strategies such as School Streets to encourage modal shift in response to the climate crisis, boroughs have actively considered the benefits in also reducing air pollution, obesity and road danger.²
11. Local authorities have a high level of trust among the public: one recent poll by Survation for ASPE³ found that many more people trust their local council (54%) over the Government (12%) to make decisions about how services are provided in their local area, and more people trust local councillors (56%) over Government ministers (6%) to make decisions about their local area. Further, local authorities have a key role in interacting with all sectors in their area in a holistic way. Therefore, by empowering local government to act, central government can ensure that action is taken in a way best able to gain local support. For example, we know that retrofitting will entail considerable change and disruption for some Londoners. RB Kensington and Chelsea has developed a leading approach to engaging residents on the Lancaster West estate, where co-design of new measures with residents has been at the heart of the process.⁴
12. Local authorities should have a clearly defined role in tackling the climate emissions of the services for which they are directly responsible such as the transport system, planning, housing and waste. Further, the role of local government procurement should be recognised for the role it can play in driving or minimising carbon emissions. The Public Services (Social Value) Act

¹ <https://www.nao.org.uk/report/local-government-and-net-zero-in-england/>

² For example: <https://www.walthamforest.gov.uk/schoolstreets>

³ [apse.org.uk/apse/index.cfm/news/articles/2020/the-public-trust-councils-more-than-government-in-covid-response/](https://www.apse.org.uk/apse/index.cfm/news/articles/2020/the-public-trust-councils-more-than-government-in-covid-response/)

⁴ <https://www.local.gov.uk/case-studies/kensington-chelsea-lancaster-west-refurbishment>

2012 ensures that public sector decision makers have regard to social, environmental and economic wellbeing in their decisions. Local authorities have the potential to go further on net zero, with the right support, by using such frameworks to build carbon reduction into their processes.

13. To take on this role and gain the benefits outlined above, local authorities need proper support from central government to tackle carbon emissions. This should include policy direction, technical support and comprehensive funding streams. Following the pandemic, local authority budgets are already severely stretched; the estimated 2020/21 London-wide funding gap will be around £180 million. Without proper support, the role of local government cannot be maximised and as a society we will fail to decarbonise as rapidly as possible, jeopardizing the achievement of the UK's net zero target. It is clear to us that empowering local authorities is essential to delivering long-term, sustainable emissions reductions for local places.
14. We also think it is important to recognise the role of local authorities in accounting and reporting emissions. We would welcome support from central government for standardised approaches based on the Local Partnerships Greenhouse Gas Accounting Tool to ensure we have common standards for carbon emissions.⁵
15. We would support a statutory duty on all public bodies to contribute to reaching net zero, if it is joined with the required powers and resources to act.

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

16. The planning system needs to be strengthened so that delivering on net zero is integrated into all planning decisions and embedded in building regulations. However, the proposals in the recent Planning White Paper may 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.
17. The White Paper's 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. While higher minimum standards should be set nationally, with regards to matters such as energy efficiency, climate change, nature, and green space, in building regulations, it is also important that local planning authorities are able to set their own higher standards where they deem these necessary and justified.
18. We note that a revised version of the National Planning Policy Framework (NPPF) was published by the government on 20 July 2021. We welcome new references to United Nation's

⁵ [Greenhouse Gas Accounting Tool - Local Partnerships](#)

17 Sustainable Development Goals (SDGs) in paragraph 7 and the amendment to paragraph 8(c), which strengthens the environmental objective, by referring to 'improving biodiversity'. Further, we welcome the amendment to paragraph 11(a) which includes references to a sustainable pattern of development, improvement of the environment, mitigation of and adapting to the effects of climate change.

19. However, it is disappointing that there is no reference to the Climate Change Act's net zero target and milestones, and we believe that more could have been done to embed the SDGs throughout the NPPF. More specific measures to deliver the strengthened environmental objectives could have been referenced, for example, in respect of whole life carbon assessments.
20. We note the government response to the consultation states, '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'. It will be essential for the Government to take this opportunity to fully address the climate change challenge, including the specific concerns set out in paragraph 12 above, and to consult widely in reaching a positive set of changes supported by stakeholders.
21. Overall, we feel that government should revise proposals in the Planning White Paper and update the NPPF to empower local authorities to adopt planning policies commensurate with the climate and ecological emergency, informed by evidence, opportunities and needs that exist in their areas and in consultation with their communities. Specifically, government should reform the planning system to ensure that it, in conjunction with necessary changes to building regulations, will:
 - 21.1. Require all new homes and other buildings to be zero carbon as soon as possible and at latest by 2025, including a requirement for onsite renewable energy generation
 - 21.2. Work to a policy hierarchy which incorporates circular economy principles for construction, including in relation to reuse and refurbishment in preference to demolition and new construction
 - 21.3. Ensure that local authorities continue to be able to set higher requirements for energy efficiency than national standards where practical and demonstrably viable
 - 21.4. Restrict permitted development rights to minor development so that local authorities can ensure new housing meets energy efficiency and healthy living standards
 - 21.5. Require any new homes that are delivered using permitted development rights to change existing use to residential use to meet high energy efficiency standards
 - 21.6. Enable local authorities to require water reuse and recycling in areas of severe water stress and to set tighter limits than the current 110l/person/day limit
 - 21.7. Give stronger encouragement for retaining and expanding local food growing, processing and retailing

22. We also support calls for government to reform the methodology for calculating housing supply and delivering new homes so this focuses on genuine need, identified locally, particularly the need for affordable homes, and enables local authorities to prioritise sustainable locations with an emphasis on the proximity to employment, food shops, and walking, cycling and public transport infrastructure.
23. Government should take action to tackle the ‘viability’ issue when drawing up local plans to ensure outcomes are in line with the public interest, including tackling the climate and ecological emergency, and do not just benefit developers.
24. Government should also revise the NPPF to provide greater priority to protecting and enhancing the green spaces and infrastructure we need to support community resilience and climate adaptation.

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?

25. We welcome the creation of the UK Infrastructure Bank (UKIB) and the £22bn of funding attached to it. The UKIB’s offer goes beyond just borrowing to include expertise and support and explicitly notes the role of local authorities: this is positive. Further, the UKIB has a wider range of finance products than the Public Works Loans Board, which should contribute to its effectiveness.
26. It is essential that the UKIB’s loans are accessible to local authorities and that the terms and conditions it sets are reasonable and require realistic monitoring. Local government requires development funding and assistance to ensure they have the skills and capacity to produce viable projects for UKIB funding. Revenue funding to meet the costs of borrowing for new investment and the operational costs associated with the new infrastructure is also important.
27. The UKIB must engage with a wide range of local government stakeholders as it forms its lending criteria and metrics, including London boroughs.
28. The UKIB’s decisions must be independent and transparent to ensure it is as effective as possible and to avoid any suggestion of bias in its activities.
29. Nevertheless, the capital available to the UKIB is unlikely to be great enough to reach the decarbonisation challenge. For example, in London we estimate that just retrofitting all housing tenures will cost £98bn – well beyond the bank’s budget. The Government will therefore need to consider UKIB financing as part of a wider strategy for funding and financing the achievement of net zero. One important part of this will be securing appropriate private investment, and we draw the Committee’s attention to a joint initiative established by London Councils, Core Cities and the Connected Places Catapult to do just that: the UK Cities Climate Investment Commission.⁶

⁶ <https://cp.catapult.org.uk/project/uk-cities-climate-investment-commission/>

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

30. We echo the NAO report's findings around the complexity of funding from central government for local authorities. Central government should consider how to simplify funding processes to reduce costs for local authorities and improve efficiency and thus value for money for taxpayers.
31. Highly limited pots of money accessed via competitive funding process incur costs on local authorities, using a large amount of limited staff time to craft bids which can often be unsuccessful. Further, narrow windows for applications, or unreasonable timescales for the delivery of funded work, do not allow local authorities to strategically plan how to most effectively decarbonise their areas. All areas must reach net zero, so providing funds to limited local authorities is not only inefficient, but also hinders the national net zero effort.
32. We note that London boroughs have received funding from the Green Homes Grants (GHG), Social Housing Decarbonisation Fund and the Public Sector Decarbonisation Scheme.
33. The Committee is familiar with concerns that have been raised around the GHG, and London boroughs – like other authorities – have faced significant challenges with the delivery of these funds. We note that recently the GHG Local Authority Delivery scheme phase 2 has faced significant delays in London, with contracts only being finalised in July, despite direction that 75% of capital should have been spent by September 2021.
34. Government should ensure that long-term commitments are made to future programmes – such as the Social Housing Decarbonisation Fund and the Home Upgrade Grants – to enable councils and contractors to prepare, invest and deliver effectively, to secure green jobs and skills, reductions in fuel poverty and cuts to carbon emissions. We are calling on Government to make a firm commitment 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 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.

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

35. The Government should work with local authorities to identify the level of additional funding needed to secure adequate skilled staff and access to training for elected members to deliver on net zero in their areas. We believe a full capacity needs assessment would be the first stage in this process, jointly led by MHCLG and BEIS together with local government organisations.

36. Further, central government should support innovative collaborative efforts across local government, such as the seven work programmes resulting from London Councils' Joint Statement on Climate Change to ensure they can effectively deliver the maximum possible decarbonisation.⁷
37. The development of green skills will underpin the green recovery and our transition to net zero, and this in turn will be underpinned either by direct funding or generating confidence amongst training providers that such courses are worth running. Central government should ramp up funding for green skills and training to ensure the transition to net zero is just, creating jobs, prosperity and security for all of London's communities.
38. Finally, retrofitting homes will enable us to make significant progress towards our net zero targets, tackle fuel poverty, and deliver a significant green economy boost in the construction sector.
39. Our analysis shows that to reach net zero, we will need 196,400 new FTE, across specialist and non-specialist roles including general builders, insulation specialists, plasterers and renderers, window fitters, carpenters, electricians, heating engineers, renewable heat specialists and retrofit coordinators. The cost of delivering these works is estimated at £97.4 billion.
40. To enable progress in this area, Government should make a firm commitment to the Social Housing Decarbonisation Fund and the Home Upgrade Grant scheme, and should invest in supporting initiatives like the UK Cities Climate Investment Commission (CCIC), to enable local authorities to unlock investment support for reaching net zero goals

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

41. As is well outlined in the NAO's report, central government is currently coordinating its engagement with local government on net zero poorly. Engagement with local government is undertaken in a siloed manner by individual departments and information does not seem to get shared across government departments.
42. Central government must introduce a cross-departmental approach to working with local authorities. A cross-departmental approach could create opportunities for more streamlined funding systems, saving money for the Exchequer as well as local authority time.
43. We support the recommendation of the Local Government Association⁸ that government should set up a joint, senior level, local and central government taskforce on climate change, with other key stakeholders involved.

⁷ <https://www.londoncouncils.gov.uk/our-key-themes/environment/climate-change>

⁸ <https://lga.moderngov.co.uk/documents/g4484/Public%20reports%20pack%2011th-Mar-2021%2014.15%20Executive%20Advisory%20Board.pdf?T=10>

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

44. Councils require strong engagement with community groups and residents to support their understanding of local need and also encourage everyone in their local community to take action to tackle emissions.
45. There are a number of excellent community projects in London which demonstrate strong practice in this area. For example, in Hackney the Stokey Energy Community Group are working to install solar panels in their local community, including on a school.⁹ This is a fruitful area for sustainable transport as well: with organisations such as Wheels for Wellbeing working to remove barriers to cycling for disabled people of all ages.¹⁰

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⁹ <https://www.stokeyenergy.org/>

¹⁰ <https://wheelsforwellbeing.org.uk/>