

Local Net Zero Delivery Progress

Executive Summary

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July 2022



About UK100

UK100 is a network of local authorities that have pledged to shift their communities to Net Zero ahead of the government's legal target. They do this to demonstrate their ambition, make the case for rapid change, and enable a fast and fair transition.

The network provides local leaders opportunities to learn from each other, agree priorities for legislative and regulatory change, engage with national decision-makers and businesses, and develop a better understanding of how to build consent and support for rapid climate action in their communities.



Executive Summary



The power and potential of local authorities (LAs) to design and deliver real progress towards Net Zero against a global backdrop of unpredictable and far-reaching challenges has never been clearer.

This report presents an analysis of the progress made towards delivering Net Zero at a local level across all sectors in the UK in the past year, and our recommendations for actions needed to enable the pace and scale of delivery required for success.

It highlights that:

- **Our members** tell us that the things that currently have the **most impact** on their ability to deliver are **funding and strategy**. But they also **identify funding and capacity** as the two **biggest barriers to success**
- Combining **long term, non-competitive funding and capacity development and support with a clear strategy for Local Net Zero Delivery** could enable LAs to accelerate progress
- **Governance matters**. A significant number of our members are putting effort into embedding Net Zero into their structures. It would be beneficial if there was similar commitment at national level. Delivery partnerships are also key.

- **A Local-National Net Zero Delivery Unit** is needed to oversee developments should build on the initial work of the Local Net Zero Forum enabling a consistency of approach, including on **Local Area Energy Planning (LAEP)**
- **Standards matter**. From Energy Performance Certificates (EPCs) and building regulations to Local Climate Action Plans, there is a need for a floor, not a ceiling on ambition. National government can and must institute such standards
- **Improving the ability of LAs to access private finance** should be a priority area of focus - it was highlighted as a barrier across all sectors
- **LAs have responded positively to government programmes** and initiatives, hence the significant increase in activity around heat and buildings, followed by transport. **Energy efficiency has been highlighted as a priority area for investment and delivery**
- **But this support**, often in the form of competitive funding pots, enables particular measures to be delivered locally but it is not **systemic, consistent or long term**
- Furthermore existing funding doesn't test out **new finance models or approaches**, meaning **innovation is dependent on government funding** and is not replicated or transferred elsewhere

The current approach to Local Net Zero Delivery is not enabling. Despite the government saying that they don't want to be prescriptive, the criteria for funding can be very tightly drawn, limiting the ability of the LAs to transform places, establish long term programmes, and build up a skilled local workforce – which are all essential for a successful transition.

Background

In May 2021, UK100 produced Power Shift,¹ an in-depth assessment of the powers both held by and needed for LAs in England to deliver Net Zero. The report outlined the challenges and barriers to progress. Alongside insights from the Climate Change Committee (CCC)² and the National Audit Office (NAO)³, our report emphasised the crucial role LAs have in meeting the Government's climate targets. Similarly, our Rural Net Zero⁴ report provided key insights on the challenges in the UK rural context.

Subsequently in July 2021, UK100 together with the Mayor of the West Midlands, Andy Street, convened an international Net Zero Local Leadership Summit. The Summit launched a communiqué⁵ signed by a group of 32 cross-party Mayors and local leaders from across the UK. It called for a 'Power Shift' from Whitehall so that local and regional authorities can deliver Net Zero, with six areas identified as priorities for urgent action:

- Energy
- Finance
- Heat and Buildings
- Local Powers
- Nature
- Transport

This Local Net Zero Delivery research consists of eight sector-based reports⁶ which reflect on progress made towards the delivery of these' and this cross-cutting report brings those findings together.⁷

¹ https://www.uk100.org/sites/default/files/publications/Power_Shift.pdf

² <https://www.theccc.org.uk/publication/local-authorities-and-the-sixth-carbon-budget/>

³ <https://www.nao.org.uk/report/local-government-and-net-zero-in-england/>

⁴ https://www.uk100.org/sites/default/files/publications/Rural%20Net%20Zero_May%202021.pdf

⁵ <https://www.uk100.org/publications/net-zero-local-leadership-communique-delivering-net-zero-uk>

⁶ These reports can be found on the UK100 publications page - <https://www.uk100.org/publications>

⁷ In addition, the progress reports also examine the issues of Clean Air and Waste

Global challenges with local consequences

Following the release of the UK Government's Net Zero Strategy in October 2021, 2022 was set to be a year of delivery. However, progress has been slow, partly because the emerging cost of living crisis has drawn attention away from long term challenges. In fact with a renewed urgency in securing energy supplies as well as the need to reduce costs for consumers, there has never been a better time to drive forward the Net Zero agenda, with communities at its heart. It is disappointing that the global challenges have not been seized on as an opportunity to tackle some of the systemic challenges that drive higher costs and fossil fuel dependency.

Challenges like these aren't going away, and action to address the rising cost of living should be aligned with Net Zero.

Local authorities can lead the way

Many ambitious LAs have set Net Zero targets that are ahead of the UK Government's 2050 deadline. The 102 (correct at time of writing) LAs that have signed the UK100's members pledge have committed "to lead the UK's response to climate change, acting sooner than the government's goal by making substantial progress within the next decade to deliver Net Zero." UK100's programme of knowledge-share plays its part in enabling innovation by our members to be transferred and replicated where possible, as should the Net Zero Hubs. However, much more of this could be achieved with a policy framework that supports innovation at scale and adopted as mainstream.



What's in this report?

The research, summarised in this report, aims to:

1 Assess the progress on delivery of Government commitments

2 Take stock of UK100's research recommendations, identify areas where key developments have taken place and highlight where barriers remain

3 Share insight from UK100 members on their progress, their plans and the barriers and challenges they are facing.





Key findings:

what has happened - and what hasn't

Progress has been forthcoming in most areas - but it has been incremental and doesn't reflect the scale of the challenge or the urgency needed to address the situation. The ambition and appetite of UK100's members to work with the government offers a real opportunity to ramp up delivery at scale and at pace, while learning what policy and regulation needs to change in order to accelerate the transition to Net Zero in a fair way.

Overall, the three key developments that fulfil (to some degree) UK100's previous asks of Government:



The announcement
and establishment
of the Local Net
Zero Forum



The binding
biodiversity target
in the Environment
Act



The Energy Future
Systems Operator (FSO)
/ Independent Systems
Operator (ISOP)⁸

Yet whilst developments like the Local Net Zero Forum are positive, there is still much to do in order to deliver - ultimately as the CCC says, the government is good at setting targets but not at devising plans to deliver on them.⁹ We have a better sense of the 'what' than we did 12 months ago - but in many areas what is missing now is the 'how' and the 'who'; and without these, delivery will falter. Most of the gaps we have identified relate to the mechanisms that would enable LAs to fulfil their ambitions.

⁸ In the Energy Bill the FSO is referred to for the first time as the ISOP

⁹ <https://www.theccc.org.uk/publication/2022-progress-report-to-parliament/>



National developments

Issue	Main developments -	Progress - highlights	Gaps - what's missing
Overarching	Net Zero Strategy	<ul style="list-style-type: none"> Local Net Zero Forum Broadening of the scope of the Energy Hubs to Net Zero Hubs 	<ul style="list-style-type: none"> A local Net Zero Delivery Unit
Transport	Transport Decarbonisation Plan (TDP) EV Infrastructure Strategy	<ul style="list-style-type: none"> LA Toolkits Commitment to EV infrastructure The City Region Sustainable Transport Settlements (CRSTS) 	<ul style="list-style-type: none"> A detailed plan for Net Zero Transport A rural transport strategy Non-competitive funding Integration of clean air and Net Zero (CANZ) A National Highways plan that supports local transport decarbonisation
Energy	British Energy Security Strategy (ESS)	<ul style="list-style-type: none"> Phasing out of coal at COP26 Ofgem acknowledges local role Announcement of Future System Operator Wales published local and regional energy plans 	<ul style="list-style-type: none"> Energy efficiency A commitment on LAEP
Heat and Buildings	Heat and Buildings Strategy (HBS)	<ul style="list-style-type: none"> The Public Sector Decarbonisation Scheme (PSDS) is being effectively deployed by LAs to retrofit council-owned properties Chancellor's Strategic steer on financing for energy efficiency in homes The Green Homes Grant local authority delivery (LAD) scheme has been more successful than the Government's 'one-to-many' centralised approach 	<ul style="list-style-type: none"> Additional dedicated investment in decarbonising heat and buildings Detail on meeting hydrogen target Energy efficiency VAT cut on retrofit Systematic plan for decarbonising heat solutions in existing homes and buildings
Local Powers	Levelling up the United Kingdom White Paper Levelling-up and Regeneration Bill	<ul style="list-style-type: none"> Glasgow Climate Pact - specific reference to the important role of LAs in Net Zero delivery in COP26 outcome text 	<ul style="list-style-type: none"> Net Zero in Levelling Up White Paper and more generally throughout all of Government's activities Net Zero as priority across all departments nationally and locally Standard emission reporting guidance Planning reform aligned with Climate Change Act
Finance	Treasury Net Zero Review UK Infrastructure Bank (UKIB) Bill	<ul style="list-style-type: none"> UKIB has been established, is engaging with LAs and recognises the importance of place-based Net Zero delivery Green Financing Framework VAT reductions on energy saving materials 	<ul style="list-style-type: none"> Green Book reform Non-competitive funding Clarity in funding (what is in and out of scope)
Nature	Environment Act	<ul style="list-style-type: none"> Target - Halting the decline in our wildlife populations through a legally binding target for species abundance by 2030 with a requirement to increase species populations by 10% by 2042 	<ul style="list-style-type: none"> Integration between Environment Act (including Biodiversity Net Gain (BNG) and the Nature Green Paper) and Net Zero Detail on Office of Environmental Protection's (OEP) enforcement role
Clean Air	Environment Act	<ul style="list-style-type: none"> Commitment to target setting Initial results from Clean Air Zones (CAZ) 	<ul style="list-style-type: none"> • Links between clean air and Net Zero (CANZ) • More ambitious, updated World Health Organisation (WHO)-aligned targets
Waste	Environment Act	<ul style="list-style-type: none"> Plans for Extended Producer Responsibility (EPS) and Deposit Return Scheme (DRS) 	<ul style="list-style-type: none"> Details on introduction of EPR and DRS Common national standards or guidance for LAs



Local progress

UK100 surveyed our membership to find out what progress on Net Zero delivery they have made locally over the last 12 months, as well as what they are currently working on and what barriers they are experiencing. Of the members that responded, over half are currently primarily focused on developing a strategy for Net Zero delivery, as well as applying for/utilising PSDS funding to address the emissions from their own building stock.

Heat and buildings and transport are the projects that most members will be focusing on now and in the coming months, with attention also being paid to aligning internal council governance in a lot of LAs to ensure that Net Zero delivery is embedded across all operations.

The barriers most commonly cited across the member responses were access to long term, non-competitive funding, capacity and skills required to deliver within the LA, siloed working within LAs that needs to be addressed, as well as national policy and regulation impeding some elements of delivery. A number of other barriers were also identified including the before ambiguity of the term Net Zero, the complexity of the issue and public understanding.

Retrofit and addressing domestic emissions was highlighted as the most common challenge across the sectors that need decarbonising. As we outline in the Heat and Buildings progress report¹⁰ and as the CCC highlighted in its recent progress report to the Parliament, there is a significant policy gap in this area that needs urgent attention.¹¹

¹⁰ <https://www.uk100.org/publications/local-net-zero-progress-reports/heat-buildings>

¹¹ <https://www.theccc.org.uk/publication/2022-progress-report-to-parliament/>



Overarching recommendations

The recommendations across each of the sector reports are explored more fully in the discussion below, but it is clear that there are cross-cutting issues which need urgent attention to enable Net Zero to be delivered. These include:

- **Net Zero decision-making needs to be embedded across all government structures.** A significant number of UK100 members are working on this important governance, but **consistency of approach** across all levels and areas is crucial
- There is a **need for a floor, not a ceiling on ambition.** Standards that the Government introduce need to enable LAs to go further and faster, not impede their progress
- Combining **long term, non-competitive funding** and **capacity development and support with a clear strategy for Local Net Zero Delivery** could enable LAs to **accelerate progress**
- **Improving the ability of LAs to access private finance** should be a priority area of focus - it was highlighted as a barrier across all sectors
- **Energy efficiency has been highlighted as a priority area for investment and delivery.**



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