

Local Net Zero Delivery Progress

Executive Summary

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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, it 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, which is 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 FSO/ISOP 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 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 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.**



Progress - overview

The past 12 months have seen the introduction of some key strategies as the Government outlined its route to Net Zero. This report takes stock of the major policy and strategic developments from the TDP in July 2021 to the Energy Bill, which was introduced to Parliament in July 2022.

Some of the details and developments in these documents are to be welcomed, some will inhibit progress towards Local Net Zero Delivery. Below is an overview of the key developments. More detailed information on specific strategies will be covered in the specific sector progress reports.¹²

¹² <https://www.uk100.org/publications/local-net-zero-progress-reports>

Overall, the three key developments that fulfil (to some degree) UK100's previous asks of Government - which are expanded upon below - are:

The announcement and establishment of the Local Net Zero Forum - UK100 was explicitly mentioned in the context of the need for the Forum in the Net Zero Strategy. Although there is still a need for a Delivery Framework and a Delivery Unit to oversee activities

The binding biodiversity target in the Environment Act - UK100 had called for such a target in the International - Local Net Zero Delivery Summit in July 2021

FSO/ISOP - the creation of an independent, expert impartial body that facilitates Net Zero is a welcome development. UK100 called for 'strategic energy bodies' - the role and scope of the FSO/ISOP is still being developed, but there are promising indications that the FSO/ISOP can have a remit broad, but specific, enough to enable locally-led energy transformation to deliver Net Zero.





Net Zero Strategy

In October 2021, the UK Government unveiled its Net Zero Strategy,¹³ setting out its policies and proposals for decarbonising the UK economy to meet its Net Zero target by 2050. The strategy focuses on economic change and the co-benefits of Net Zero, including new green jobs and industries, and the positioning of the UK at the front of the global race to go green. It makes it clear that LAs must play a vital role in Net Zero:



We will take a place-based approach to net zero, working with local government to ensure that all local areas have the capability and capacity for net zero delivery as we level up the country.

As part of this, the strategy announced the introduction of a Local Net Zero Forum, as recommended by UK100, to discuss Net Zero policy and delivery:



The creation of the Forum also draws on the recommendations for a policy framework put forward by member network UK100. The Forum will support the establishment of clearer delivery roles for local government and provide a single engagement route into HM Government in a coordinated and coherent way.

¹³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1033990/net-zero-strategy-beis.pdf

UK100 welcomed this announcement and has subsequently been engaging with the Department for Business, Energy and Industrial Strategy (BEIS) as it works through the development of the Local Net Zero Forum, the first meeting of which was held in June 2022.

Local Net Zero Forum

The Forum includes representatives from UK Government departments - the Cabinet Office, Department of Culture, Media and Sport (DCMS), HM Treasury, BEIS, Department for Environment, Food and Rural Affairs (Defra), Department for Transport (DfT), Department for Education (DfE), Department for Levelling Up, Housing and Communities (DLUHC) - and around 12 Directors of Place from diverse tiers of LAs across the country (and across portfolios like housing, transport, environment and finance).

The minister in charge of the Forum is Lord Callanan, Minister for Business, Energy and Corporate Responsibility at BEIS.

The Forum will meet four times a year. There will also be a meeting with LA Chief Executives and Government Permanent Secretaries, and a meeting with Secretaries of State and Mayors and Leaders. There are four key initial objectives of the Forum:

- roles and responsibilities of national and local government
- private finance and government funding
- capacity and capability of local government
- data and reporting.

More information on the Forum can be found in the Local Powers progress report.¹⁴

¹⁴ <https://www.uk100.org/publications/local-net-zero-progress-reports/local-powers>

The Net Zero Strategy also continued the Local Net Zero Programme, which includes provisions to:

- repurpose local energy hubs as **Local Net Zero Hubs**, to support all areas of England to reach Net Zero, including those which lack capacity or which face unique challenges
- promote best practice and support LAs to develop Net Zero projects that can attract commercial investment - more information on this in the Finance progress report¹⁵
- increase knowledge sharing to demonstrate and share successful Net Zero system solutions.

Whilst these developments are broadly positive and UK100 welcomed the opportunity to nominate an LA Director from our network to participate in the Forum, there was not an opportunity to interrogate its ways of working to ensure it is fit for purpose. UK100 continues to advocate for a Local - National Net Zero Delivery Unit¹⁶ to manage this cross-departmental and multi-level working relationship, but crucially a Delivery Plan is required to enable the outcomes of the Forum to be enacted swiftly and successfully at scale.

COP26

In 2021, the UK Government also co-hosted COP26 in Glasgow and a number of potentially significant developments were announced during the conference:

- **Glasgow Climate Pact:**
 - recognised the importance of local government in the text
 - committed to ending new international coal power financing by the end of 2021
- **Glasgow Breakthrough Agenda on Energy:**
 - clean power is most affordable and reliable power option
 - affordable renewable and low carbon hydrogen available by 2030
- **Glasgow Breakthrough Agenda on Transport:**
 - zero emission vehicles (ZEV) are the new normal and accessible, affordable and sustainable by 2030
- **Glasgow Leaders' Declaration on Forests and Land Use:**
 - committed signatories to halt and reverse forest loss and land degradation by 2030.

¹⁵ <https://www.uk100.org/publications/local-net-zero-progress-reports/finance>

¹⁶ https://www.uk100.org/sites/default/files/publications/Framework_final.pdf

Some of these developments have begun to be translated domestically, such as the target centred on nature restoration and the development of hydrogen and to an extent on ZEVs. The extent to which local delivery is being enabled through the acknowledgement that LAs are a key part is mixed - in some areas there has been recognition, in others this is not the case. The CCC's most recent report to Parliament - see below - is clear that the Government squandering the ambition of LAs in Net Zero delivery represents a significant risk to delivering its targets.¹⁷

2022 has brought some challenges - post-COVID-19 we find ourselves experiencing a cost of living crisis and following the Russian invasion of Ukraine, energy security has been placed in sharp focus. There is a real opportunity to create a response to the current situation which aligns with Net Zero delivery. Focusing on local delivery of renewable energy, and energy efficiency measures which can be put in place in the short term, can be deployed in the most appropriate place-based contexts and have the potential to save money are compatible with rising fuel costs and uncertain supplies. However, the most recent developments have indicated that this is not the direction of travel the Government is setting a course for.

¹⁷ <https://www.theccc.org.uk/wp-content/uploads/2022/06/Progress-in-reducing-emissions-2022-Report-to-Parliament.pdf>



Most recent developments



Energy Security

In April 2022, the Government produced the ESS, which is focused largely on market-led technology interventions, is almost exclusively supply-focused and with many of the measures being delivered in the longer term. There is very little relating to demand reduction, to onshore renewables, or to the role of LAs, - where these are referenced, details are scant. In July 2022, the Government introduced the Energy Bill into Parliament - and whilst it speaks to local delivery in the context of low carbon heat schemes such as heat pumps and heat networks, there is still a significant gap in terms of energy efficiency and the deployment of onshore wind and solar. This issue is covered more in the Energy progress report.¹⁸

Levelling-up

The 2022 Queens' Speech announced a Levelling-up and Regeneration Bill which was introduced to Parliament in May 2022. Whilst building on the Levelling Up White Paper which sets a course of action for improving prosperity across the country, the Bill signals some changes to planning policy which may make it harder for LAs to be as ambitious as they might want to be on delivering Net Zero. Indeed, Net Zero has been largely absent in the considerations of both the White Paper and the Bill. But LAs are key to the delivery of both Levelling-up and Net Zero - and the agendas, financing, support and capacity to deliver at the local level need to be urgently aligned. The role of planning is crucial here and the Levelling-up and Regeneration Bill must make it easier to deliver Net Zero. The main sector-specific developments that have taken place in the past 12 months are discussed in brief below. First however, it is worth considering some updates from outside the legislative and strategic programme of government that are worthwhile reflecting on because they are helping to shift the narrative of and speed up Net Zero Delivery.

¹⁸ <https://www.uk100.org/publications/local-net-zero-progress-reports/energy>

Recent developments - key reports and documents

CCC progress report to Parliament

In June 2022, the CCC issued its latest progress report to Government and local delivery - through an effective Local Net Zero Forum - is mentioned as a priority recommendation and squandering the strong commitment to Net Zero at a local level is identified as a major risk.



local authorities have a vital role to play in leveraging all their powers, assets and influence to deliver Net Zero and climate adaptation. The UK Government has recognised the role of local authorities in delivering Net Zero in its Net Zero Strategy, but now needs to work in partnership with them, through a framework to ensure local capacity is increased, that funding and policy are longer-term and more certain, and that policy contradictions are removed.

Significant policy gaps were identified which relate to long term funding, to the lack of strategy for delivering nature recovery, and for energy efficiency, amongst other things.¹⁹

The report is clear that there needs to be a partnership framework to manage local Net Zero delivery and it cites UK100's National-Local Net Zero Delivery Framework²⁰ as a potential way forward.

More information can be found in the Local Powers progress report.²¹

¹⁹ <https://www.theccc.org.uk/wp-content/uploads/2022/06/Progress-in-reducing-emissions-2022-Report-to-Parliament.pdf>

²⁰ <https://www.uk100.org/publications/research-national-local-net-zero-delivery-framework-executive-summary>

²¹ <https://www.uk100.org/publications/local-net-zero-progress-reports/local-powers>

UKIB strategic plan

A year after the establishment of the UKIB, the bank released its first strategic plan. In the document, the UKIB confirmed that it will initially work with LAs on pilot projects to test how and where it can best add value. It will assume the role of critical friend to help navigate the complexities of project development. This was a key ask of the bank and it is most encouraging that this role has been acknowledged. EV charging infrastructure and building retrofit are being considered as specific infrastructure challenges the bank can help to finance and UK100 welcomes these developments. We will continue to engage with the bank to help inform how the technical advisory function can best support LAs. More information can be found in the Finance progress report.²²

Ofgem draft determination - RIIO-ED2²³

Ofgem has made efforts to encourage more engagement at a local level and UK100 and our members have been actively contributing to these conversations. UK100 stressed that ‘proactive partnering’ between Distribution Network Operators (DNOs) and LAs should be business as usual (BAU) and we welcomed Ofgem’s acknowledgement of this point in its methodology document for the RIIO-ED2 process in July 2022.²⁴

Also encouragingly, the draft determination for the RIIO-ED2 process states that achieving Net Zero at lowest cost requires - amongst other elements - maximising the full potential of demand-side response, which can be achieved if we have an energy system that is planned holistically, both at the national and local level. UK100 will continue to engage in this dialogue, working to ensure that LAEP is a central consideration in the DNO business plans which help shape the energy transformation and guide the next five years and beyond. More information can be found in the Energy progress report.²⁵

²² <https://www.uk100.org/publications/local-net-zero-progress-reports/finance>

²³ The RIIO-ED2 is the price control exercise that sets the outputs that the 14 electricity DNOs need to deliver for their consumers and the associated revenues they are allowed to collect for the five-year period from 1 April 2023 to 31 March 2028 <https://www.ofgem.gov.uk/energy-policy-and-regulation/policy-and-regulatory-programmes/network-price-controls-2021-2028-riio-2/network-price-controls-2021-2028-riio-2-electricity-distribution-price-control-2023-2028-riio-ed2>

²⁴ <https://www.ofgem.gov.uk/sites/default/files/2022-06/RIIO-ED2%20Draft%20Determinations%20Core%20Methodology.pdf>

²⁵ <https://www.uk100.org/publications/local-net-zero-progress-reports/energy>

These broader landscape changes lend weight to UK100’s central argument that Net Zero cannot be delivered at the speed and scale required without LAs. Below we take each sector progress report in turn and highlight the key insight on Local Net Zero Delivery from each.





Transport

In our Transport progress report,²⁶ we identify three recommendations for accelerating progress:

- replacing competitive funding with devolved funding that is long term, tied to Net Zero outcomes and is integrated as part of Local Transport Plan funding - and so available to all
- providing a clear strategic direction for the future of rural transport
- unlocking the potential of promising new partnerships by clarifying roles and responsibilities as quickly as possible.

²⁶ <https://www.uk100.org/publications/local-net-zero-progress-reports/energy>



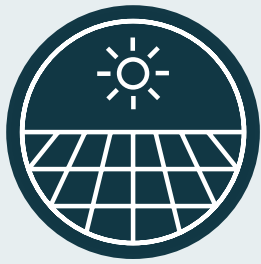
In July 2021, the Government published its TDP, which includes its proposed pathway to delivering Net Zero transport, as well as a summary of the wider benefits and the principles that underpin its approach. The TDP included a clear articulation of the Government's intention to support local leadership on transport:



Leadership and climate action at a local level is also crucial. The vast majority of all transport journeys are local. We will continue to collaborate with local authorities and other regional bodies to identify and support local solutions across the UK.²⁷

²⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1009448/decarbonising-transport-a-better-greener-britain.pdf

UK100 asked the UK Government to change how funding for transport is allocated, to progress the roll out of EVs and to improve public transport. These requests have been acknowledged (to a greater or lesser degree) in the TDP and Net Zero Strategy, and there are statements of intent and some guidance around each of our key asks. However, we must be clear that change is not currently happening at the speed or scale required to achieve the country's Net Zero transport goals.



Energy

In our Energy progress report,²⁸ we identify three recommendations for accelerating progress:

- prioritising energy efficiency - make sure this significant policy gap is closed as the Energy Bill makes its way through Parliament
- pushing forward on LAEP - we still need a framework to ensure seamless development and delivery of local planning, plus a clearer acknowledgement from the government that LAs are key to delivering Net Zero energy
- Maximising potential of FSO/ISOP to embed local delivery in the future Net Zero energy system.

²⁸ <https://www.uk100.org/publications/local-net-zero-progress-reports/energy>



There have been several energy-related strategies published since July 2021, including (in order of publication date), the Smart Systems and Flexibility Plan, the UK Hydrogen Strategy and the Net Zero Strategy. In April 2022, the Government published its most recent energy strategy, the ESS - its plan to secure, clean and affordable British energy for the long term. Targets in this strategy include:

- 50GW offshore wind, with up to 5GW floating offshore wind, by 2030
- 24GW of nuclear by 2050
- 10GW of hydrogen by 2035
- 70GW of solar photovoltaics (PV) capacity by 2035.

However, the ESS mentions LAs just twice - a glaring omission, given the clear importance of local decision-makers to a timely and cost-effective response to the energy crisis. Furthermore, energy efficiency - the best proven solution to decarbonising homes quickly and affordably - received neither the recognition, funding or planning it requires to deliver change.

And as highlighted above, these shortcomings have not been addressed in the Energy Bill, which was introduced to Parliament in July 2022 and the CCC have flagged this as a significant policy gap. UK100 has advocated for strategic energy bodies to enable transformation of the energy system, including including LAEP. The FSO/ISOP has potential to deliver in this space. But without the widespread acknowledgment and details of how LAEP can be rolled out at scale, the Government is missing a significant opportunity to minimise the cost and maximise the flexibility of our future energy.



Local Powers

In our Local Powers progress report,²⁹ we identify four recommendations for accelerating progress:

- determining through the Local Net Zero Forum how local and national (and cross-departmental) collaboration will work and developing a clear delivery framework to be supported by a Net Zero Delivery Unit
- linking Net Zero across funding for LAs and all applications for funding should have to demonstrate their commitment to Net Zero
- enabling a floor on ambition and in standard setting, not a ceiling. If LAs want to go further and faster, then they should be given the opportunity and resources to do so
- providing clear and consistent guidance on monitoring and reporting for LAs to enable progress to be tracked.

²⁹ <https://www.uk100.org/publications/local-net-zero-progress-reports/local-powers>



Local and combined authorities are already leading in many aspects of the Net Zero agenda, but they could go so much further and faster given the scope to do so.

In February 2022, the UK Government introduced its Levelling Up White Paper, which included the introduction of a £2.6bn Shared Prosperity Fund. While the White Paper announced that decision-making will move from regional agencies to local elected leaders, the connection with Net Zero was not made. This is a missed opportunity.

In May 2022, the UK Government introduced the Levelling Up and Regeneration Bill, which aims to empower local leaders to regenerate their areas, and reforms the planning system to give residents more of a say. The proposals for planning in the Bill actually have the potential to make it harder for ambitious LAs to deliver Net Zero as it currently stands and this is a real challenge. By indicating that provisions of ‘nationally-important’ matters (such as setting baseline standards for addressing

climate change) should be made at a national level,³⁰ there is a danger that local plans will either need to adhere to a governmental ceiling and go no further, or that climate change will not be an integral part of locally-produced plans. The sentiment behind these current provisions and their parameters need to be scrutinised in more detail for the implications to be better understood.

As covered in the Net Zero Strategy summary section above, UK100 is pleased that the Government followed our recommendation to establish a Local Net Zero Forum. We continue to recommend the introduction of a National - Local Net Zero Delivery Framework, for national, regional and local government. This framework would show clear outcomes and direction, provide additional powers where needed, and allow faster delivery in ambitious areas. The Forum needs to have teeth, with a dedicated Net Zero Delivery Unit at its disposal. It should have ministerial oversight and a clear definition of roles and responsibilities.

³⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1088045/Letter_to_DLUHC_Committee_Chair.pdf



Finance

In our Finance progress report,³¹ we identify three recommendations for Government to accelerate progress:

- dedicating long term funding for LAs to deliver Net Zero
- reforming funding allocation, so that it is non-competitive and reform the Green Book
- using the Green Finance Strategy to fix key issues.

We also identify three recommendations specifically for the UKIB:

- developing financing aggregation approaches for LAs that would help to reduce costs
- ensuring that the pilot projects invested in during the first phase of advisory support are from diverse LAs
- feeding insights back to Government in order to inform policy change that will reduce project and programme costs.

³¹ <https://www.uk100.org/publications/local-net-zero-progress-reports/finance>



The CCC says that to achieve Net Zero, capital investment in the UK will need to grow from £10bn per year in 2020 to £50bn in 2030, and then stay at around £50bn each year through to 2050.³² In October 2021, the Treasury Net Zero review stated:

“

The UK Infrastructure Bank will provide leadership to the market in the development of new technologies, crowding-in private capital and managing risk through cornerstone investments and a range of financial tools. It will help to bolster the Government's lending to Local Government for large and complex projects to bring private and public stakeholders together to regenerate local areas and create new opportunities.³³

The review also makes the important point that successful levelling-up, a government priority: “will require local growth and the UK's most competitive green industries could build on existing regional strengths to contribute to sustainable growth across the country.”³⁴

³² <https://www.theccc.org.uk/publication/the-road-to-net-zero-finance-sixth-carbon-budget-advisory-group/>

³³ <https://www.gov.uk/government/publications/net-zero-review-final-report>

³⁴ Ibid.

³⁵ <https://www.gov.uk/government/speeches/queens-speech-2022>

In the Queen's Speech in May 2022, HRH The Prince of Wales stated that the “UK Infrastructure Bank will utilise its £22bn financial capacity to help grow the economy to address the cost of living and support the transition to Net Zero by 2050.”³⁵

In its first business plan, released in June 2022, the UKIB confirmed that it will work with LAs on pilot projects to test how and where it can best add value. It will assume the role of critical friend to help navigate the complexities of project development. This was a key ask of the bank and it is most encouraging that this role has been acknowledged. EV charging infrastructure and building retrofit are being considered as specific infrastructure challenges the bank can help to finance and UK100 welcomes these developments. We will continue to engage with the bank to help inform how the technical advisory function can best support LAs.

Looking ahead, the Government's updated Green Finance Strategy, planned for publication in late 2022, will take stock of progress following the plan's 2019 launch. UK100 believes this upcoming strategy can be used to fix some key issues, but needs to be framed in the right context.

It aims to enable the UK to ensure the financial services industry is supporting the state's climate and environmental objectives, as well as the increased emphasis on energy security. Similarly the UK Green taxonomy is intended to offer “a clear direction for Green Finance: a common framework setting the bar for investments that can be defined as environmentally sustainable.”³⁶ But it also aims to improve the understanding of environmental impact, enabling firms and investors to make green choices, to support investment in sustainable projects, and to boost efforts to tackle climate change.

There is a challenge that the direction of travel being set by the Energy Bill has the potential to define investments in certain areas environmentally sustainable, when they may be unproven, or when the benefits will not be felt in the short to medium term. Investment in energy efficiency and renewable energy should not be jeopardised because there are not strong signals in the Government's strategies that these are part of the solution.

³⁶ <https://www.gov.uk/government/news/new-independent-group-to-help-tackle-greenwashing>





Heat and Buildings

In our Heat and Buildings progress report,³⁷ we identify three recommendations for accelerating progress:

- dedicating large scale, long term, non-competitive funding for the decarbonisation of existing buildings to be deployed by LAs on place-based solutions
- setting a clear framework for delivery of the HBS
- setting a floor rather than a ceiling on standards to empower LAs to push further ahead, faster. In particular, we hope this reform would accelerate the delivery of the Future Homes Standard (FHS).

³⁷ <https://www.uk100.org/publications/local-net-zero-progress-reports/heat-buildings>



In October 2021, the Government published its HBS, in which it recognised that “to meet Net Zero virtually all heat in buildings will need to be decarbonised,” requiring “a co-ordinated system-wide approach to decarbonise cost-effectively.” Government ambitions included phasing out the installation of new natural gas boilers from 2035, ramping up hydrogen production, a ‘fabric-first’ approach to energy efficiency, a commitment to develop the market and strong language on the need for local input and decision-making.³⁸ UK100 was also pleased to see a recognition of the need to “accelerate ‘no- and low regrets’ action now” - which includes future-proofing new builds and growing the Net Zero workforce.

In June 2022, initial plans for ECO Plus were outlined, which had potential to address the need for urgent funding of energy efficiency measures in buildings. However, UK100 (along with many other bodies) firmly believes this new scheme must not be funded by taking money from other essential funding pots - as was proposed.³⁹ Given the current national political uncertainty it is unclear whether this plan will progress, but we urge for dedicated funding to be allocated, not

redistributed.

Looking ahead, while the HBS has good potential, there is much to improve before we can confidently say we’re on the right track. The CCC and insight from our membership (see below) is clear that decarbonisation of buildings represents a significant challenge and is perhaps the area currently with the most significant policy gap to be filled. The inclusion of Heat Networks in the Energy Strategy is encouraging, and heat networks will have a part to play in delivering Net Zero. We need a strong framework to support LAs to deliver progress, as well as a rapid reform of current standards and regulations to help accelerate progress towards Net Zero rather than slow it down.

³⁸ <https://www.gov.uk/government/publications/heat-and-buildings-strategy>

³⁹ <https://9tj4025ol53byww26jdkao0x-wpengine.netdna-ssl.com/wp-content/uploads/ECO-Plus-letter.pdf>



Environment Bill - Clean Air, Waste and Nature

In November 2021, the UK Government's Environment Act entered force. The Act establishes the OEP, which will monitor and enforce environmental law, acting objectively and impartially. The OEP must report annually. The Environment Act gives the Government the power to set new binding targets on key environmental issues, including air quality, biodiversity, water, resource efficiency and waste reduction. As such the final three progress reports have been framed in this context.





Clean Air

In our Clean Air progress report,⁴⁰ we identify three recommendations for accelerating progress:

- setting a 2030 target for PM_{2.5} of 10µg/m³ and longer term of 5µg/m³
- implementing a public awareness campaign into the health issues of pollution, and the benefits of CANZ approaches
- supporting CANZ as an approach to improving air quality and decarbonisation simultaneously, and put in place mechanisms to enable compatible cross-cutting policies.

⁴⁰ <https://www.uk100.org/publications/local-net-zero-progress-reports/clean-air>



Air pollution leads to around 30,000 premature deaths in the UK each year, reducing average life expectancy by several months. In 2021, the World Health Organisation (WHO) revised its 2005 standards on clean air, which (among other important pollutant targets) included halving the ‘safe’ level of fine particulate matter (known as PM_{2.5}) from 10µg/m³ to 5µg/m³. This puts the UK Environment Bill behind where it needs to be, with a target of 10µg/m³ by 2040. While it is positive the Government is setting clean air targets, they need to be significantly more ambitious - at least aiming for a 2030 target for PM_{2.5} of 10µg/m³. Indeed in its response to the target setting consultation, the OEP stated that the targets proposed are “unambitious or lack sufficient urgency to reflect the scale of change needed.”⁴¹

⁴¹ <https://www.theoep.org.uk/report/oep-response-consultation-environmental-targets>

⁴² <https://royalsociety.org/-/media/policy/projects/air-quality/air-quality-and-climate-change-report.pdf>

⁴³ https://uk-air.defra.gov.uk/library/reports.php?report_id=1002

⁴⁴ <https://www.uk100.org/sites/default/files/publications/YES%20WE%20CANZ%20%7C%20Clean%20Air%20Net%20Zero%20.pdf>

In terms specifically of Net Zero delivery, NAO states that although the Government has arrangements to manage the links between its work on air quality and Net Zero, these could be strengthened. The Royal Society⁴² and Air Quality Expert Group⁴³ have both outlined the potential co-benefits of such an approach. And UK100’s CANZ report identified that doing so could save £1.6 billion a year on the cost of delivering Net Zero.⁴⁴

So it is clear we need to be simultaneously working to deliver Net Zero, and addressing the root causes of our polluted air. By identifying the synergies in their policy development, LAs can adopt smarter and more efficient responses.



Waste

In our Waste progress report,⁴⁵ we identify three recommendations for accelerating progress:

- making urgent progress on EPR and DRS
- a framework should be implemented for more cohesive national collection and behaviour change to promote a circular economy. Clarity on the role of the OEP in managing progress against waste targets is needed too
- clearer links need to be made between the Net Zero agenda and improvements in waste reduction.

⁴⁵ <https://www.uk100.org/publications/local-net-zero-progress-reports/waste>



The Net Zero Strategy⁴⁶ states that:

“

As part of reforms to the resources and waste system, we also will move towards a circular economy, improve resource efficiency, and achieve near elimination of biodegradable waste to landfill.

And sets a clear direction of travel on tackling landfill waste:

“

To support our commitment to explore options for the near elimination of biodegradable municipal waste to landfill from 2028, we are bringing forward £295m of capital funding which will allow local authorities in England to prepare to implement free separate food waste collections for all households from 2025.

⁴⁶ <https://www.gov.uk/government/publications/net-zero-strategy>

⁴⁷ <https://www.theccc.org.uk/wp-content/uploads/2020/12/Sector-summary-Waste.pdf>

This is a positive and combined with the Environment Act, there has been a clear direction of travel set for tackling waste and waste emissions. And whilst keeping to the requirements and timeframe of the Environment Act is positive, how the target reduction proposed (reducing residual waste per capita by 50% by 2042) will be achieved isn't clear - does it imply more energy from waste, or more recycling and promotion of a more circular economy? The CCC say total waste arisings should be reduced by up to 33% by 2037 from baseline projections, through improved product design, light-weighting & standards, asset sharing and repair, DRS and EPR - but how the Government envisages reaching its target is not clear.⁴⁷

And as with the clean air target, the OEP has expressed concerns that the waste target is not ambitious enough and needs revising.



Nature

In our Nature progress report,⁴⁸ we identify three recommendations for accelerating progress:

- integrating nature into Net Zero and vice versa to avoid gaps and repetition and take better advantage of opportunities to deliver against both sets of targets
- creating public and private funding streams - LAs need dedicated, long term, non-competitive funding for nature-based solutions. And private investors need support and confidence to realise the value of nature and take advantage of the potential for growth and jobs through nature recovery
- ensuring a place-based approach - we need to make sure the different needs and opportunities presented by urban and rural nature restoration are recognised and optimised for within Local Nature Recovery Strategies (LNRS) and other nature recovery schemes.

⁴⁸ <https://www.uk100.org/publications/local-net-zero-progress-reports/nature>



UK100 called on the Government to set a binding target for nature recovery in 2021, and this ask was fulfilled in the Environment Act which enshrined a target to halt the decline in the abundance of species by 2030 with a requirement to increase species populations by 10% by 2042. This is a positive development and some progress has been made, but there are still some significant policy gaps that need to be filled to realise delivery.

A potentially exciting development is the plans to roll out LNRS across England. If well executed, they will allow for a cohesive, comprehensive and locally-appropriate approach to nature recovery with blanket coverage across the UK. But the Government must act swiftly; it is committed to designating an LA to lead production, this must be completed as a priority so that LNRS can begin to be deployed nationwide.

And the principle and parameters of BNG have been consulted on. UK100 stated in its response to this consultation that the proposed approach suggested by the Government leaves potential for unhelpful, unnecessary exemptions or other opportunities for developers to avoid taking action - in the short and long term - and these areas need urgent rectification if BNG is to succeed.

Overall, we still need to see closer integration between Net Zero and nature - across rural and urban areas alike and we need clearer understanding of how the OEP will enforce environmental legislation.



Member Insight

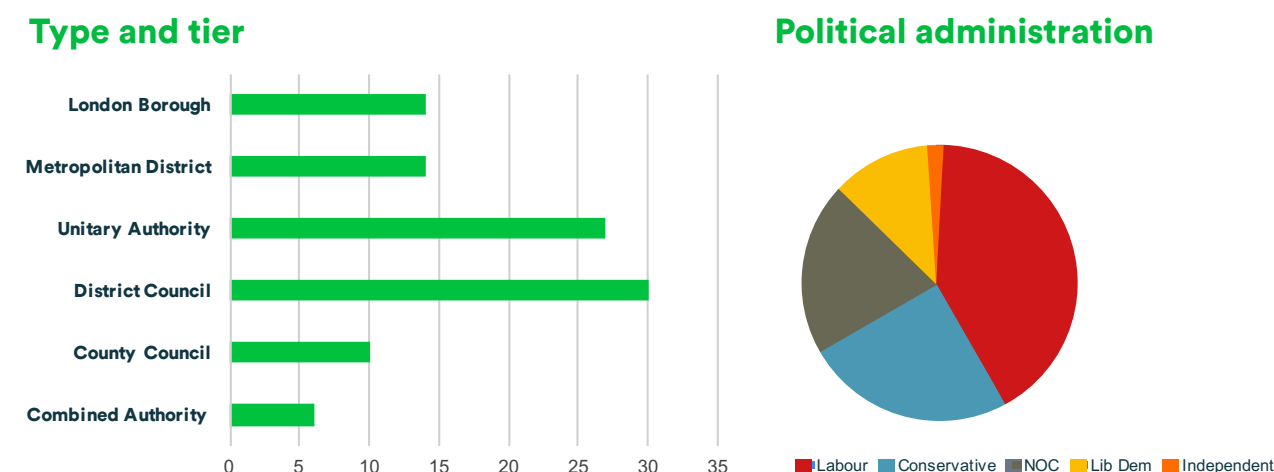
Key progress, barriers and challenges

UK100 now has 102 members - representing almost 40m people from across the UK. As a geographically diverse, cross-party coalition, representing both rural and urban areas, our members have all committed to a Net Zero pledge. They 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.”⁴⁹

A snapshot of the membership can be seen in Figure 1. A full list of members can be found in Annex 1.

⁴⁹ <https://www.uk100.org/membership>

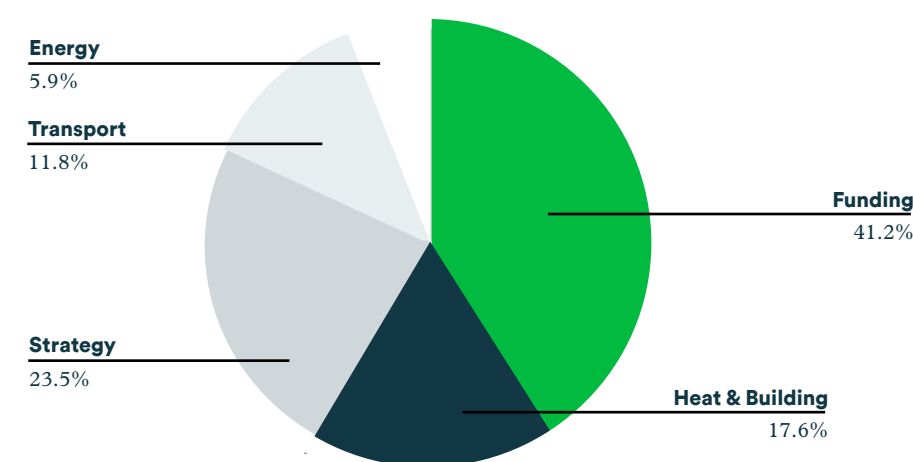
Figure 1



To understand how UK100’s ambitious members are working to deliver Net Zero locally, we asked them to share the ‘one key thing’ they have been working on over the past 12 months as well as the projects and programmes that are coming up. Additionally, we asked them to explain what key barriers and challenges to progress they are experiencing and what they are doing to navigate these, as well as what could be done to remove them. Half (49) of the members provided updates to our Net Zero Local Delivery Progress Survey.

Figure 2

Here is an overview of their responses.



Single LA activity related to Net Zero delivery that has been found to have the biggest impact?

Significant effort is being focused on both scoping Net Zero delivery plans and making bids for financial support. Many of the responses that spoke about funding were related to ensuring that the Public Sector Decarbonisation Scheme money was being spent in the allocated time frame and was focused on reducing council scope 1 emissions. This funding has been welcomed by LAs and has the potential to enable challenging projects to advance at scale. And this is positive because ensuring council operations are decarbonising is important to meet objectives and such projects can develop skills and understanding that can later be deployed onto wider community, larger scale projects.

However, several of the responses spoke to the short time frame available for applying for funds and the challenge to complete bids and spend the allocated funding in time. This resonates with the information from across the progress reports - non-competitive funding would make LA delivery of Net Zero more effective because resources could be deployed in delivery, not in bid-writing.

“ Submitting a Bid to Salix for the Public Sector Decarbonisation Scheme grant. This involved developing a grant bid at very short notice, with incredibly short timescales. UK100 member, Borough Council



Bristol’s development of its ‘City Leap’ low carbon energy investment programme is covered in detail in the Finance progress report.⁵⁰ Some members also mentioned activity related to funds that have been launched by LAs themselves to help local community groups act on climate change.

The second largest activity amongst members related to strategy development, with the following all highlighted by members as their focus of activity:

- The Suffolk Climate Emergency Plan⁵¹
- Bath and North East Somerset Climate Emergency Action Plan⁵²
- Blackpool Climate Emergency Plan⁵³
- Plymouth Climate Emergency Action Plan⁵⁴ and the Plymouth City Council Corporate Carbon Reduction Plan⁵⁵
- Brent Climate and Ecological Emergency Strategy and Delivery Plan⁵⁶
- Liverpool City Region Pathway to Net Zero⁵⁷
- Leicestershire County Net Zero 2045 Roadmap⁵⁸
- Mendip District Council Carbon Management Plan⁵⁹
- Warwick Climate Change Action Programme⁶⁰

It is encouraging that LAs are planning, costing and delivering on their own strategies in the absence of clarity or support from the Government in a number of key areas highlighted throughout the progress reports. It is important that place-based solutions are implemented and LAs are taking control and moving ahead in the absence of coherent guidance from Government. Because whilst strategy was an area of much activity over the past 12 months, it was also seen as one of the biggest barriers and challenges to delivery.

50 <https://www.uk100.org/publications/local-net-zero-progress-reports/finance>

51 <https://www.suffolk.gov.uk/assets/planning-waste-and-environment/Pledge-to-climate-emergency-declaration/Suffolk-Climate-Emergency-Plan.pdf>

52 https://www.bathnes.gov.uk/sites/default/files/siteimages/climate_and_nature_emergency_action_plan.pdf

53 <https://www.blackpool.gov.uk/Residents/Planning-environment-and-community/Documents/Climate/C1682-Climate-Emergency-Action-Plan-Accessible.pdf>

54 <https://www.plymouth.gov.uk/sites/default/files/PlymouthClimateEmergencyActionPlan2022.pdf>

55 https://www.plymouth.gov.uk/sites/default/files/CCRP_2021_PlymouthCorporateCarbonReductionPlan.pdf

56 <https://democracy.brent.gov.uk/documents/s109071/7a.%20Appendix%20A%20-%20Brent%20Climate%20Ecological%20Emergency%20Strategy%202021-2030.pdf>

57 <https://www.liverpoolcityregion-ca.gov.uk/wp-content/uploads/LCR-PathwaytoNetZero-Report-2022-FINAL-compressed.pdf>

58 <https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2022/5/3/net-zero-carbon-Leicestershire-2045-strategy-and-action-plan.pdf>

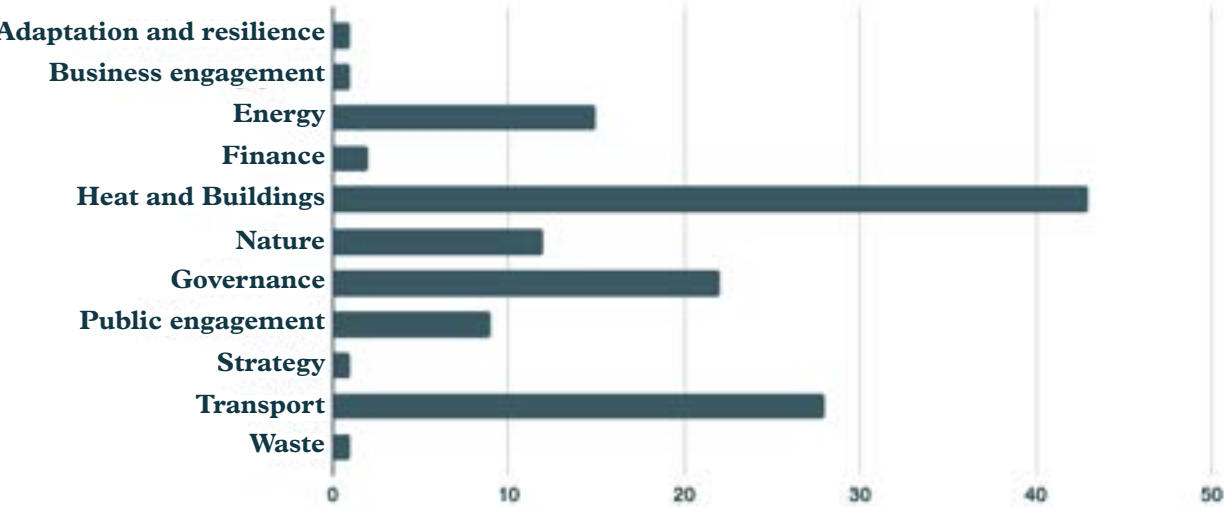
59 https://www.mendip.gov.uk/media/28534/Item-08c-Mendip-District-Council-District-wide-Carbon-Management-Plan-Appendix-B-Carbon-Management-Plan/pdf/Item_08c_Mendip_District_Council_District-wide_Carbon_Management_Plan_-_Appendix_B_Carbon_Management.pdf?m=637632522440630000

60 https://www.warwickdc.gov.uk/info/20468/climate_change/1718/climate_change_action_programme

Switching to EV fleets and to renewable energy tariffs were also highlighted by members as areas of activity.

As well as understanding what our members have been focused on in the past 12 months, we also asked them to reflect on three recent developments they are working on to meet their Net Zero targets.

Figure 3
Top three recent Net Zero developments



Most upcoming plans and projects relate to decarbonising heat and buildings as well as transport. It is encouraging to see that as plans are signed off, action towards decarbonising key sectors is underway across the membership. Many members are taking action to improve the governance of their LA to ensure Net Zero can be prioritised in the council’s activities.

“ Internal Council Processes – Ensuring sign off and that Carbon/Climate Change is addressed within every report. Still developing resources, but a Carbon Literacy has been undertaken by Cllrs, Senior Leadership Team, and managers across the Council.

UK100 member, London Borough

“ Internal governance arrangements so that climate change becomes a key part of our corporate agenda.

UK100 member, Metropolitan District

“ We have established a cross sector Climate Action Strategic Board, that will oversee our new Climate Action Strategy and Action Plan published in October 2021.

UK100 member, Unitary Authority

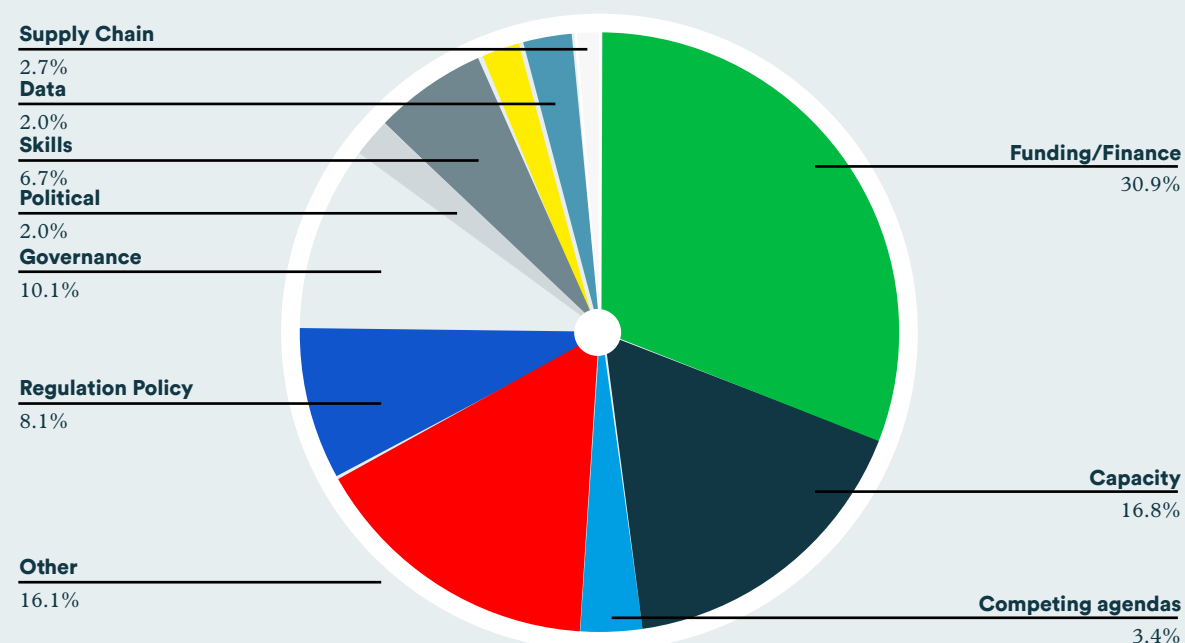




Barriers

Access to funding and finance is a significant barrier, coupled with capacity, it is clear that LAs could be doing much more if enabled to do so. As the CCC highlighted, squandering the ambition of LAs to deliver Net Zero is a significant risk for the Government and it is clear from this insight that members are doing a lot, but with support and guidance, could redeploy effort to act at the pace and scale required. The systems for Net Zero are not currently fit for purpose with regulation/policy and governance also highlighted as inhibitors.

Figure 4
Barriers to Local Net Zero Delivery



Allocated projects are currently supported by a discrete one-off fund within the council. Where collaboration is required across departments, both budget and time resources are a limiting factor.

UK100 member, Borough Council



Lack of a co-ordinated, long term approach to funding the required initiatives across government departments. Constant last minute competitions for short term projects results in huge inefficiencies for local government, lots of wasted effort discussing and co-ordinating bids, multiple monitoring methods/criteria for effectively the same outcomes. We require a much longer term approach to distribution of funds, more autonomy and trust from central government to target the funds at local needs/priorities. This would not only make delivery more efficient but also allow the numerous co-benefits of investment in skills/training of local suppliers/partners to be much more fully developed.

UK100 member, County Council



A more structured approach to regulation and strategy-setting from central Government would be very helpful; it is hard for us to plan our work programmes when strategies and policies that may enable specific programmes are announced with too short a lead-in period, or withdrawn/delayed without notice. It makes our limited resource much more stretched as we have to be response-led rather than plan-led which would be more efficient.

UK100 member, City-region

In terms of some of the 'other' barriers and challenges highlighted, a range of concerns including - readiness of other organisations to deliver at pace and scale, understanding and knowledge gaps, lack of public understanding of the impacts of climate change and therefore many challenges ahead re: behavioural change, e.g. switching from car to active travel were cited in the responses.

Devolved administrations



As well as looking at UK-wide progress, we want to reflect on progress from the devolved administrations. This information is an overview of the main areas of focus. Detailed information on each of the sector-based activities of the devolved administrations can be found in the relevant sector progress reports.⁶¹

Scotland

The Scottish Government has legally committed to a Net Zero target by 2045, five years ahead of the rest of the UK.⁶² Scotland is phasing out new petrol and diesel cars and vans by 2030, and working with public bodies to phase out the need for new petrol and diesel light commercial vehicles by 2025. The majority of new buses purchased from 2024 will be zero carbon and rail links are being improved, and will be fully decarbonised by 2035.⁶³

By 2023 Local Heat and Energy Efficiency Strategies will be in place for all LAs and all new homes consented have zero direct emissions heating and are highly energy efficient.⁶⁴

Every LA in Scotland designs and delivers their own Area Based Scheme to reflect local housing and tackle fuel poverty and the Scottish Government is working with LAs to improve local schemes, offering whole house retrofits for those households in the least energy efficient properties.⁶⁵

⁶¹ <https://www.uk100.org/publications/local-net-zero-progress-reports>

⁶² <https://www.gov.scot/policies/climate-change/reducing-emissions/>

⁶³ <https://www.snp.org/net-zero-by-2045/>

⁶⁴ <https://www.netzeronation.scot/take-action/home-energy/grants-and-funding-make-your-home-more-energy-efficient>

⁶⁵ Ibid.

Wales

The Net Zero Wales plan commits to Net Zero by 2050.⁶⁶ By March 2023 all public sector organisations will report their emissions and publish their plans to achieve Net Zero - to support the delivery of Net Zero for the public sector by 2030. Actions to achieve this target include building 20,000 new low carbon social homes for rent, investing in travel options that encourage people to walk, cycle and use public transport and support communities to create 30 new woodlands and connect habitat areas. The Welsh Government is also working with LAs to develop local and regional energy plans and by 2025 all new affordable homes in Wales will be built to net zero carbon standard.⁶⁷

Wales is committed to becoming a zero waste nation by 2050 - with effectively 100% reuse and recycling.⁶⁸

Northern Ireland

A Climate Change Bill in Northern Ireland is in the Final Stage after approval by the Stormont Assembly, including a target for Net Zero by 2050 and the appointment of a Climate Change Commissioner. Until this Bill is passed, Northern Ireland is the only region of the UK which doesn't have a Net Zero target.⁶⁹

In December 2021, the Department for the Economy published the Northern Ireland Energy Strategy - the Path to Net Zero Energy. This targets a 56% reduction in energy-related emissions by 2030 and a pathway to deliver Net Zero and affordable energy by 2050.⁷⁰

⁶⁶ <https://www.gov.wales/net-zero-wales>

⁶⁷ <https://gov.wales/decade-action-needed-tackle-climate-crisis-and-achieve-net-zero-wales>

⁶⁸ <https://gov.wales/sites/default/files/publications/2021-10/net-zero-wales-summary-document.pdf>

⁶⁹ <http://www.niassembly.gov.uk/assembly-business/legislation/2017-2022-mandate/primary-legislation---bills-2017-2022-mandate/climate-change-bill/#:~:text=A%20Bill%20to%20set%20targets,public%20bodies%3B%20to%20provide%20for>

⁷⁰ <https://www.economy-ni.gov.uk/publications/energy-strategy-path-net-zero-energy>



Insight

Both the progress reports on Government activity and the insight from the UK100 membership highlight the following:

- **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 **LAEP**
- **Standards matter**. From 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.





What's next?

There will be political uncertainty over the next few months, but it is imperative that this does not distract from the urgency with which we must be delivering Net Zero. The Government set a strategic course over the past 12 months and whilst it is not perfect and there are some areas that need urgent attention, we are a way ahead of where we were in July 2021. We may not have the details on a lot of the plans, we are in a different geopolitical situation and we are facing price rises that are relatively unprecedented in recent times. But all of this context makes it more important to keep Net Zero as an integral priority.

UK100 awaits these key developments with some clear strategic priorities - LAs are centrally important, and will continue to be so - we need closer alignment between Net Zero and devolution and levelling-up. It is clear that long term, non-competitive funding and 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.

We need more attention on the role of LAEP and the FSO/ISOP will be key to ensuring this as RIIO-ED2 concludes in December and we need energy efficiency to be given the attention as a strategic priority that it requires. UKIB is mobilised and the pilot projects it will fund will set a course for rolling out LA support and UK100 is ready to enable these developments.

Energy prices will rise again in the Autumn and following on from COP27 as the UK hands over the international baton, we will be working towards a global stocktake of climate action against the Paris Agreement internationally. We have targets and strategic direction that now must translate into action and the new Government must grasp this challenge and tackle it head on.

YouGov polling conducted over the weekend of the 9 and 10 July 2022, shows again there is broad public support for the role of LAs in the transition to Net Zero. In a repeat result from similar UK100 polling in 2021, LAs were viewed by the public as most trusted to tackle the climate crisis. 54% said their LA representatives need more resources to take effective action, and 42% said they need more power.

The incoming Prime Minister can build on the positive policy and regulatory change outlined in this report. In the UK100 polling an overwhelming 80% of voters reiterated their support for boosting renewable energy projects to tackle the cost of living crisis. There is clearly public backing for an ambitious multi-year plan to reduce our dependence on fossil fuels and tackle the cost of living crisis.

There is broad agreement from the public, the CCC, the NAO and a host of other stakeholders that LAs are key to deliver on that opportunity.

Urgency is crucial, things need to scale and we need to focus on the outcomes now to better understand the transformation required to get there. As such UK100 makes the following recommendations to the incoming Government.

Overarching recommendations

- **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.**



Glossary of terms

BAU	Business as usual
BEIS	Department for Business, Energy and Industrial Strategy
BNG	Biodiversity Net Gain
CANZ	Clean Air Net Zero
CAZ	Clean Air Zone
CCC	Climate Change Committee
CRSTS	City Region Sustainable Transport Settlements
DCMS	Department of Culture, Media and Sport
DEFRA	Department for Environment, Food and Rural Affairs
DfE	Department for Education
DLUHC	Department for Levelling up, Housing and Communities
DNO	Distribution Network Operator
DRS	Deposit Return Scheme
EPC	Energy Performance Certificate
EPR	Extended Producer Responsibility
ESS	Energy Security Strategy
EV	electric vehicle
FHS	Future Homes Standard

FSO	Future System Operator
HBS	Heat and Buildings Strategy
ISOP	Independent Systems Operator
LA	Local authority
LAD	Local authority Delivery scheme
LAEP	Local area energy planning
LNRSS	Local Nature Recovery Strategies
NAO	National Audit Office
OEP	Office of Environmental Protection
PSDS	Public Sector Decarbonisation Scheme
PV	photovoltaic
RIIO-ED2	RIIO-ED2 is the price control exercise that sets the outputs that the 14 electricity DNOs need to deliver for their consumers and the associated revenues they are allowed to collect for the five-year period from 1 April 2023 to 31 March 2028.
TDP	Transport Decarbonisation Plan
UKIB	UK Infrastructure Bank
VAT	value added tax
WHO	World Health Organisation
ZEV	zero emission vehicles



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