

# Investing in and embracing a Green Economy

## House of Lords

12 March 2020



### KEY MESSAGES

- It is essential that as a nation we tackle climate change and protect our natural environment. We need to continue to improve air quality, protect against flooding, and ensure our transport, planning, waste and energy policies are sustainable.
- For our part, the LGA is committed to supporting local government to continue on this journey, and [our climate change hub](#) brings together an overview of our sector-led improvement offer of support to help councils continue to provide strong local leadership on this important issue. Our hub also includes information on upcoming events as well as relevant publications and best practice case studies.<sup>i</sup>
- Transport contributes 30 per cent of the UK CO2 emissions.<sup>ii</sup> We need to design places that encourage active travel and see a large-scale electrification of the vehicle fleet. This is a big challenge for councils to embrace, and we can only do so with long-term guaranteed infrastructure funding.
- Housing is another key area where we can make a significant contribution to net zero. The Government's preferred option for the proposed new Future Homes Standard does not go far enough to achieving this ambition and may result in costly retrofitting to new dwellings in the future.
- The Government's Standard Assessment Procedure (SAP) which is used to monitor the energy efficiency of homes illustrates how the social housing sector is leading the way. In 2017, social housing stock had an average SAP rating of 68, compared to the private sector which had an average rating of 61.<sup>iii</sup>
- Responsibility does not rest with the individual alone or councils. The Environment Bill included a commitment for retailers and manufacturers to pay for recycling and disposing of packaging in household waste. We welcome the commitment to do this, but the next steps must provide clarity for local government on the full funding of costs.
- A key component of clean growth is the creation of green jobs. Our Work Local proposals set out our proposals for a more coordinated and place-based employment and skills system which can be achieved by devolution and integration led by combined authorities and groups of councils.<sup>iv</sup>

# Briefing

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## **BACKGROUND INFORMATION**

### **Climate change: sector led improvement**

As part of our sector-led improvement work, the LGA offers a wide range of support to help councils address the issues of climate change and environmental sustainability, including:

- A Leadership Essentials programme on taking responsibility as a leader/portfolio holder after declaring a climate emergency;
- Programmes to help councils innovate and address both efficiency and climate change through our Design in the Public Sector, Behavioural insights, and Digital programmes;
- An 'Acting on climate change' councillor workbook designed to help councillors think about the roles, opportunities and drivers for council-led action on changing climate;
- Numerous case studies and best practice examples;
- Our New Conversation 2.0 guide to engaging dialogue with residents, from consultations through to people's everyday interactions with their local authority, including on issues of climate change; and
- Support from Local Partnerships, including their Re:fit programme helping councils implement energy efficiency and local energy generation measures to their buildings or their estate, to reduce carbon emissions and achieve savings.

There is a real opportunity to demonstrate that both local and national government can work together to deliver tangible change on reducing carbon emissions. We are calling for a joint local and central government taskforce on climate change which reaches across government and incorporates departments such as MHCLG, DEFRA, BEIS, DfT and HM Treasury and considers the most appropriate actions, funding, coordination and collaboration needed to drive the UK's climate change agenda.

### **Achieving net zero carbon**

Councils are best placed to understand the needs and opportunities in their local area and deliver local solutions. This means bringing partners together to work on place-based approaches drawn from evidence based best practice. Councils are at the forefront of mitigating climate risks and supporting their communities to adapt to future changes.

Councils are leading the way towards achieving net zero carbon, increasingly with ambitious plans to achieve this before the government's 2050 target. Nottingham City Council, for example, has committed to becoming the first carbon neutral city in the UK by 2028. Nottingham's Charter sets out a vision for sustainable carbon neutrality on behalf of the Council and the city's Green Partnership, a collaboration with local, national, and international partners. In 2017 results showed a CO<sub>2</sub> reduction of 41 per cent for the city and 49 per cent per person since 2005.<sup>v</sup>

In addition, a number of councils are members of the UK District Energy Vanguards Network. The Network recently held the workshop 'Heat Networks: Planning for a Zero Carbon World', supporting councils to consider how planning, spatial strategies and heat network development and management can help to shape a zero-carbon future. Presenters included representatives from Bristol City Council, Plymouth City Council, Exeter and East Devon.<sup>vi</sup>

### **Waste and Recycling**

Many councils are looking at how to increase recycling efforts and reduce waste sent to landfill. Some are also looking at single use plastic policies and how to make waste collection routes

more efficient.<sup>vii</sup>

Local government wants to see measures that reduce the amount of unnecessary and unrecyclable material becoming an issue in the first place. We welcome the commitment for retailers and manufacturers to pay for recycling and disposing of packaging and household waste. This is a crucial stage in shifting the cost away from the tax payer and back to the polluter. The Environment Bill must set out clearly that producers will be required to pay the full net costs to councils.

The Environment Bill is also looking to forge a new environmental partnership with local government and councils have strong ambitions to deliver. Investment in capital and infrastructure is necessary to make the Government's reforms to waste and recycling a success. We are also calling for all individual revenue spending requirements within the Environment Bill to be fully funded.

## **Transport**

Emissions from transport need to be reduced, as a sector it contributes 33 per cent of UK CO2 emissions.<sup>viii</sup> Decarbonising transport is a major challenge that councils need to embrace, but we can only do so with long-term guaranteed infrastructure funding.<sup>ix</sup> We recommend the Government immediately enact the recommendation of the National Infrastructure Assessment that councils have five-year guaranteed funding plans.<sup>x</sup>

We commissioned the Institute for Transport Studies to investigate how local authorities could take rapid action in transport using the approach 'Avoid, Shift, Improve'. Avoid actions are those that reduce the amount of movement necessary to participate in daily life. Shift actions will seek to encourage more walking, cycling and public transport use. Improve actions are about encouraging a move to less polluting transportation for every mile driven, such as through electrification.

## **Sustainable housing**

We support the intention of the Government's proposals to future-proof new build homes with low carbon heating and world-leading levels of energy efficiency and the commitment for a £3.8 billion capital Social Housing Decarbonisation Fund is positive.<sup>xi</sup> As the residential sector alone accounts for an estimated 18 per cent of UK emissions<sup>xii</sup>, there remains significant potential to retrofit existing properties in order to kick-start carbon reduction.

A successful example of council collaboration that achieves more sustainable housing delivery is the Passivhaus Social scheme. Supported by the Passivhaus Trust, this is a partnership between councils and housing associations that adopts and implements the Passivhaus Standard. Benefits include energy savings leading to fuel poverty eradication, reduced maintenance and lifecycle costs, better sound proofing, market value increase (rent and sale capital) and less ongoing capital investment.<sup>xiii</sup> Another example of this is Norwich City Council who have built one of the largest collections of Passivhaus in the UK, all of which are for social rent and which was recently awarded the RIBA Stirling Prize – awarded to Britain's Best New Building.<sup>xiv</sup>

Many authorities have already been successful in achieving higher energy efficiency standards in new developments or requiring a financial contribution to a carbon offset fund where they are unable to meet more stringent standards. Restricting local authorities from setting higher energy efficiency standards for new homes could reverse the progress that has been made.

## Green jobs and skills

The Government has committed to deliver opportunity and growth to people and places across the country. Alongside this is a commitment to clean growth prioritised as one of four UK Industrial Strategy 'grand challenges' to increase productivity, create good jobs and boost earning power whilst protecting the climate and environment. It is estimated that the UK's clean economy could grow at four times the rate of GDP.<sup>xv</sup>

A key component of clean growth is the creation of green jobs. Currently it is estimated that there are 400,000 green jobs in the UK. The 2019 Conservative manifesto committed to work with the market to deliver two million new high-quality jobs in clean growth in the next decade.<sup>xvi</sup> However, skills gaps are cited as one of the biggest obstacles of reaching net zero targets.<sup>xvii</sup> This suggests more of an understanding is needed about the national ambition and how this will be met locally.

Our Work Local campaign set out our proposals for a more coordinated and place-based employment and skills system which can be achieved by devolution and integration led by combined authorities and groups of councils.<sup>xviii</sup> We believe that national interventions like the National Retraining Scheme, National Skills Fund, Apprenticeships Levy, non-levy funding, technical levels, and the UK Shared Prosperity Fund, could be far more effective if they joined up and focused around 'place'.

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<sup>i</sup> <https://www.local.gov.uk/our-support/climate-change>

<sup>ii</sup> Department for Business, Energy & Industrial Strategy, 2018 Greenhouse Gas Emissions, Provisional Figures, Statistical Release: National Statistics, March 2019.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7\\_90626/2018-provisional-emissions-statistics-report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7_90626/2018-provisional-emissions-statistics-report.pdf)

<sup>iii</sup> Ministry of Housing, Communities & Local Government, English Housing Survey Headline report, 2017-2018. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/834603/2017-18\\_EHS\\_Headline\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/834603/2017-18_EHS_Headline_Report.pdf)

<sup>iv</sup> <https://www.local.gov.uk/work-local-making-our-vision-reality>

<sup>v</sup> Nottingham City Council, Nottingham 2028. <https://www.nottinghamcity.gov.uk/cn2028>

<sup>vi</sup> District Energy Vanguards Network – Heat Networks: Planning for a Zero Carbon World, November 2019. <https://heatandthecity.org.uk/event/district-energy-vanguards-network-heat-networks-planning-fora-zero-carbon-world/>

<sup>vii</sup> [https://www.local.gov.uk/sites/default/files/documents/mapping-and-geolocation-t-26a\\_0.pdf](https://www.local.gov.uk/sites/default/files/documents/mapping-and-geolocation-t-26a_0.pdf)

<sup>viii</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7\\_90626/2018-provisional-emissions-statistics-report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7_90626/2018-provisional-emissions-statistics-report.pdf)

<sup>ix</sup> It is important to acknowledge that there is embedded carbon in the manufacture of these vehicles, and this must be considered as part of our carbon budgets.

<sup>x</sup> [https://www.nic.org.uk/wp-content/uploads/CCS001\\_CCS0618917350-001\\_NIC-NIA\\_Accessible.pdf](https://www.nic.org.uk/wp-content/uploads/CCS001_CCS0618917350-001_NIC-NIA_Accessible.pdf)

<sup>xi</sup> The Conservative and Unionist Manifesto 2019 Costings Document. [https://assets-global.websitefiles.com/5da42e2cae7ebd3f8bde353c/5ddaa257967a3b50273283c4\\_Conservative%202019%25Costings.pdf](https://assets-global.websitefiles.com/5da42e2cae7ebd3f8bde353c/5ddaa257967a3b50273283c4_Conservative%202019%25Costings.pdf)

<sup>xii</sup> Provisional Figures, Statistical Release: National Statistics, March 2019.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7\\_90626/2018-provisional-emissions-statistics-report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7_90626/2018-provisional-emissions-statistics-report.pdf)

<sup>xiii</sup> Passivhaus Construction Costs, Passivhaus Trust, October 2019.

[https://www.passivhaustrust.org.uk/UserFiles/File/researchper cent20papers/Costs/2019.10\\_Passivhaus%20Construction%20Costs.pdf](https://www.passivhaustrust.org.uk/UserFiles/File/researchper cent20papers/Costs/2019.10_Passivhaus%20Construction%20Costs.pdf)

<sup>xiv</sup> <https://www.passivhaustrust.org.uk/news/detail/?nld=761>

<sup>xv</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/700496/clean-growth-strategy-correction-april-2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/700496/clean-growth-strategy-correction-april-2018.pdf)

<sup>xvi</sup> <https://vote.conservatives.com/our-plan>

<sup>xvii</sup> <https://www.nationalgrid.com/document/126256/download>

<sup>xviii</sup> <https://www.local.gov.uk/work-local-making-our-vision-reality>