

Power Shift: Executive Summary



The UK has shown leadership on climate change: the first Climate Change Act; the first country to write Net Zero into law; the world's biggest share of offshore wind, with a power sector that has all but phased out coal. The government has recently published its Ten Point Plan for a Green Industrial Revolution, and new strategies on transport, buildings, energy and infrastructure. Yet the Climate Change Committee (CCC) has warned that these steps “do not yet measure up to meet the size of the Net Zero challenge.” Local authorities should be the cornerstone of delivery of Net Zero in local communities. **This report is the most comprehensive examination of the duties, powers and policies available to local authorities and combined authorities in England – and the gaps – ever undertaken. It draws on previous expert reports, including those produced for government, combined with a series of interviews with local authorities and other stakeholder organisations.**

The ambition to build back better from COVID-19 echoes through public, politics, business and civil society. Matched with the right policy programme, this ambition can take the UK's leadership to the next level – the foundation for the UK's economic recovery, and the cornerstone of UK international leadership ahead of COP26.

Commitment to Net Zero flows through local government. Region-by-region, local authorities have made striking commitments, forged innovative partnerships, and signalled clear intent through the widespread declaration of climate emergencies (300 and counting). Major economic centres including London and Greater Manchester have clear, science-based Net Zero deadlines. Innovative initiatives have delivered tangible results, from Nottingham City Council's workplace parking levy supporting new public transport routes and infrastructure and Brighton and Hove City Council's car free housing development policy, to Exeter City Living's Passivhaus developments and Bristol City Council's City LEAP to finance city-wide decarbonisation.

These stories are worth celebrating – they are celebrated in this report – but in catching the eye they divert us from the reality facing local leaders: the absence of a coherent national strategy or framework to enable and resource ambitious local action on climate change; insufficient powers to drive the big changes; and, where powers do exist, insufficient capacity to use them decisively.

We call our members' successes 'innovative' because they have to be. Without a fair, consistent, cross-cutting policy, political and financial framework for local government to work towards Net Zero – in other words, without the necessary powers and resources – our members, and the communities they serve, rely on creative approaches that will, by definition, remain exceptional.

The conclusion is clear: the UK government has yet to provide local leaders with the powers and resources to really deliver, amounting to a system that is currently structurally incapable of delivering Net Zero.

Power Shift lays out the problems facing local and combined authorities in delivering Net Zero, including:

- **Strategy:** The absence of a clear national and local climate action plan and the disconnect between departmental priorities at a national and local level holds everyone back.
- **Funding and resources:** Achieving Net Zero needs to be built into all spending decisions, but is essential that additional resources are available to rebuild capacity to enable this shift, and to expand the effective use of local government powers and competencies. New funding streams must be equally accessible over the long term to all local authorities to ensure a levelled up and just transition.
- **Policy:** National policy mechanisms can actively work against local authorities making effective use of their potential to cut emissions, including overriding national policy priorities that lock-in carbon emissions, funding models that hinder low carbon choices, power gaps in place-based systems and entrenched or siloed decision-making that pitches low carbon options against other priorities.

Power Shift sets out the thematic areas where a fresh approach to powers and resources can deliver the biggest wins, including:

- **Transport:** Providing strategically defined local areas with London-style transport powers.
- **Buildings:** A long term framework of support to enable local and combined authorities to catalyse the transformation of the entire existing building stock to zero carbon through locally-appropriate measures and to deliver genuinely zero carbon new buildings.
- **Energy Infrastructure:** Powers to develop a balanced local Net Zero energy system which combines a mix of large-scale power generation with local decentralised energy systems.
- **Waste:** Alongside initiatives for Extended Producer Responsibility (EPR) and Deposit Return Schemes (DRS), piloting powers to reduce residual waste from both domestic and commercial settings.

CCC and the National Audit Office (NAO) both agree that **national government cannot achieve Net Zero without local government**. Given that over half the emissions cuts require decisions made at the local level, the CCC found that the Sixth Carbon Budget can only be achieved if Government, regional agencies and local authorities work seamlessly together. The NAO's Achieving Net Zero report recognises that “local authorities will be key in the achievement of emissions reductions in the transport and housing sectors locally where the decarbonisation challenge will vary by location.”

Empowering local government will help the whole country go further, faster.

The Government has promised a bold new vision for a ‘green industrial revolution’. The task now is to empower local government to drive the cross-cutting changes needed to achieve Net Zero and unleash the social and economic potential of every community.

Achieving this power shift will underpin the flagship national commitment, enabling the UK to become the world's first leading economy to actually deliver Net Zero as well as legislate for it. Failure to shift power will prevent the UK from being able to deliver Net Zero.

It is a stark and obvious choice, and no government has ever had a better opportunity to make the right one.

The Power Shift report identifies areas where there are gaps in powers and resources needed to support and enable the essential ambitious local action to reach Net Zero nationally. Closing these gaps would amount to the UK's first truly supportive policy framework and infrastructure to enable local delivery of Net Zero. Incorporating this report's findings into the Net Zero Strategy would be a key step in the right direction.

Key conclusions of the report are:



1. Supporting Framework

The Government should engage with local authorities to ensure that a Net Zero Delivery Framework is included in its Net Zero Strategy. The framework should align and clarify national, sub-national, regional and local delivery roles and areas for collaboration. It should provide clear outcomes and direction to reduce uncertainty, provide additional powers where needed, identify public and private investment and enable flexible delivery at the faster pace of ambitious areas. A separate UK100 project is underway to start to develop such a framework for consideration.



2. Overarching Duty

Within a supporting Net Zero Framework, there should be a requirement that local authorities set out targets and plans for area-wide carbon reductions, and align all spending and policies with the wider plan for Net Zero in a local area, enabling political support to deliver meaningful actions that respond to the needs of all local communities.



3. Transport

The decarbonisation of local transport networks is being obstructed by centralised approaches to funding and decision-making. Increasing devolution of transport funding and wider powers, similar to London, is critical to enabling the coordination and delivery of transport networks that are appropriate for local areas.



4. Buildings

Establishing a long term framework that supports all local authorities to decarbonise new and existing buildings in a manner that suits the nature of buildings in their area is essential. This should enable the delivery of zero carbon new buildings and retrofit and will significantly contribute to UK Net Zero targets. The system for assessing, monitoring and enforcing the energy and carbon performance of buildings requires a radical overhaul to make it fit for purpose, and planning policy must prioritise the aims of the Climate Change Act.



5. Energy Infrastructure

A national framework for local area energy planning (LAEP) should be put in place giving a greater role, more powers and competencies to local and regional authorities to develop a balanced Net Zero energy system which combines a mix of large scale power generation with local decentralised energy systems, as part of a wider priority focus of reaching Net Zero. This must include a clear remit to base planning decisions on the legally binding Climate Change Act.



6. Waste

Local authorities have duties around waste collection and disposal but very little control of how much is generated in the first place, or how well it is segregated at source. Alongside new initiatives such as EPR and DRS, local authorities need powers to reduce residual and commercial waste, as locally appropriate, across all waste streams to meet Net Zero.

The powers and duties proposed in this report **must be supported by adequate resource and capacity building** if they are to have any impact, and **underpinned by a structure of supportive national policies**.

