



National Audit Office

# Local government and net zero in England

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## National Audit Office



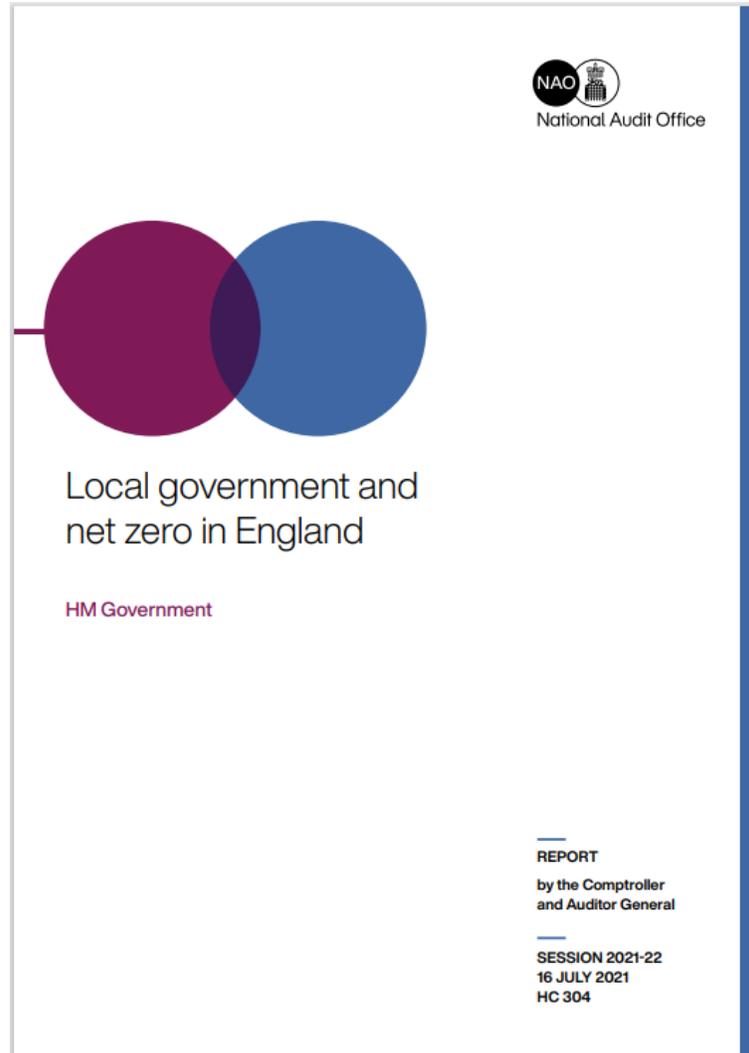
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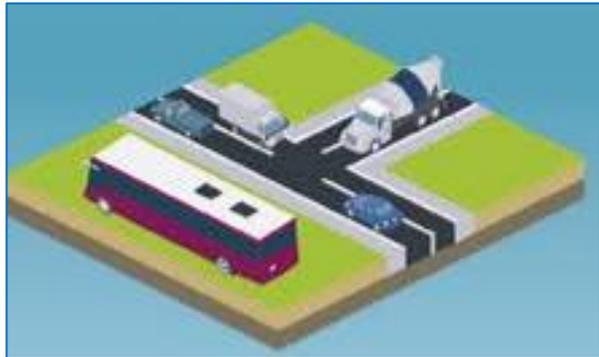


# Our report on local government and net zero in England



# Clarity of local authorities' roles in achieving the national net zero target

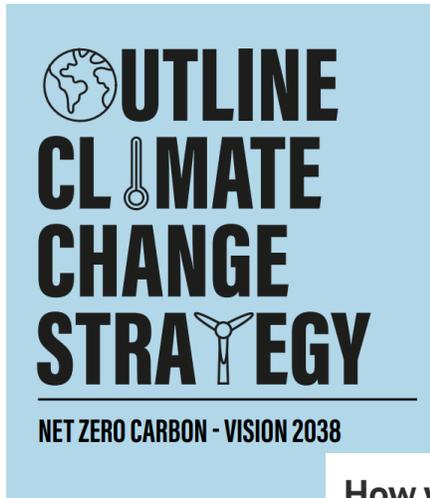
Central government has not yet developed with local authorities any overall expectations about their roles in achieving the national net zero target.



*We recommend that:* Departments work in partnership with local authorities and their representative bodies to develop a dedicated section in the overall and sector decarbonisation strategies to set out how key actions, decisions and responsibilities will be split across national, regional and local government bodies.

# Local authority reporting of plans and progress on net zero

There is little consistency in local authorities' reporting of plans and progress on net zero, which makes it difficult to get an overall picture of what local authorities have achieved.



How we're responding to the climate emergency

The goal: Reach Net Zero by 2030		
Transport	Energy	Waste an...
Transition targets What is needed to reach the goal?		
Actions How will we reach the targets?		

Council gives progress update a year on from climate emergency declaration

*We recommend that:* Departments convene a local and central government working group to establish a few simple standards for local authority reporting on net zero.

# Engagement between Departments and local authorities on net zero

Departments have started to coordinate their engagement with local authorities on net zero but there is no single senior point of responsibility for making more fundamental improvements.

**45** estimated policy areas

**5** departments

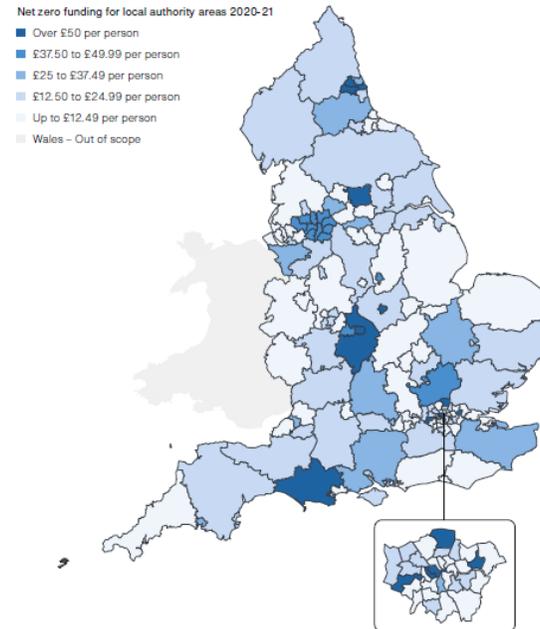


*We recommend that:* Departments establish a clear lead in central government for developing the way departments work with local authorities on net zero.

# Funding landscape

Government has not assessed the totality of funding that central government provides to local government that is linked with net zero.

- 3 **main sources of funding** that local authorities can use on net zero activities
- 22 **grant funds** local authorities could apply to for net zero-related work in 2020-21



*We recommend that:* Departments should carry out an overall outline analysis of local authority funding for net zero, to inform the next Comprehensive Spending Review.

# Conclusion

- **It is clear that local authorities have an important part to play in reaching the UK's national net zero target.**
- **There are serious weaknesses in government's approach to working with local authorities on net zero, stemming from a lack of clarity over roles and responsibilities and piecemeal funding. This hampers local authorities' ability to plan effectively for the long term, build skills and capacity, and prioritise effort.**
- **Government's efforts to improve its approach to local action on net zero have been understandably slowed by the COVID-19 pandemic. However, there is now great urgency to make progress.**



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# Appendix – for reference

## **FULL LIST OF FINDINGS AND RECOMMENDATIONS**

# Key findings and recommendations (1)

## Findings: on role and responsibilities

- While the exact scale and nature of local authorities' roles and responsibilities are to be decided, it is already clear that they have an important part to play.
- Central government has not yet developed with local authorities any overall expectations about their roles in achieving the national net zero target.
- Government has not yet set out to local authorities how it will work with them to clarify responsibilities for net zero.
- Current reforms are a critical opportunity to ensure that the national planning framework supports local authorities to align decisions with net zero.

## Recommendations

The main departments that engage with local authorities on net zero should:

- work in partnership with local authorities and their representative bodies to develop a dedicated section in the overall and sector decarbonisation strategies to set out how key actions, decisions and responsibilities will be split across national, regional and local government bodies.
- set out a clear pathway for how government expects to further align the planning system with net zero in the forthcoming planning reforms;

## Key findings and recommendations (2)

### Findings: on reporting and engagement

- There is little consistency in local authorities' **reporting on net zero**, which makes it difficult to get an overall picture of what local authorities have achieved.
- Overall, local authorities find it hard to **engage** with central government on net zero.
- Departments have started to coordinate their **engagement** with local authorities on net zero but there is no single senior point of responsibility for making more fundamental improvements.

### Recommendations

#### The main departments that engage with local authorities on net zero should:

- convene a local and central government working group to establish a few simple standards for local authority reporting on net zero.
- establish a clear lead in central government for developing the way departments work with local authorities on net zero.

## Key findings and recommendations (3)

### Findings: on funding

- Funding is a critical issue for local authority work on net zero.
- Neither MHCLG nor HM Treasury has assessed the totality of funding that central government provides to local government that is linked with net zero.
- Our analysis shows that dedicated grant funding for local authority work on net zero increased significantly in 2020-21 but remains fragmented.
- The nature of grant funding can hinder value for money.
- The standard approach to Spending Reviews is not likely to provide an adequate analysis of local authorities' resourcing for net zero .
- Government has taken steps to encourage local authorities to use wider funding for economic growth and "levelling up" in a way that aligns with net zero.

### Recommendations

The main departments that engage with local authorities on net zero should:

- carry out an overall outline analysis of local authority funding for net zero, to inform the next Comprehensive Spending Review.
- set an appropriate review point, within the next 18 months, to assess the extent to which local authorities have in practice been able to use wider funding for economic growth and levelling up in ways that align with net zero and to identify and address any challenges

## Key findings and recommendations (4)

### Findings: on skills

- Local authorities have varying levels of capacity to engage with net zero.
- BEIS has set up dedicated organisations to support local authorities on energy decarbonisation and DfT is setting up a similar body on active travel.

### Recommendations

The main departments that engage with local authorities on net zero should:

- **work with local authorities to assess the skills gaps for their work towards the national net zero target and how these might be addressed,** drawing on the work of the Green Jobs Taskforce.

We also recommend that **the local government sector considers how best to disseminate good practice on local authority work on net zero** given the scale and urgency of the net zero challenge, and the wide range of different opportunities and challenges that local authorities will encounter in their net zero work.