

# LOCAL EDGE

*AN INQUIRY INTO CLIMATE POLITICS  
AND THE ECONOMICS OF RECOVERY*

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## PREFACE

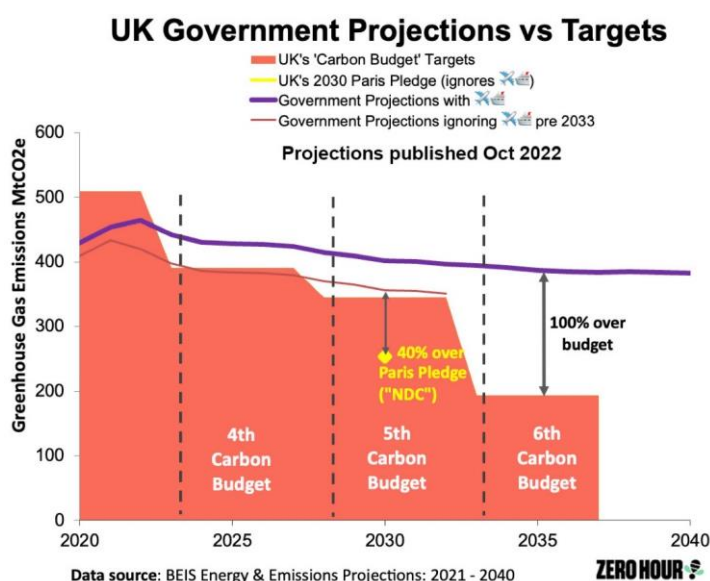
It is increasingly clear that the UK faces a polycrisis: a climate crisis, a cost of living crisis, an energy crisis and a crisis of governance itself. In the autumn of 2022, when the *Green New Deal* All Party Parliamentary Group (APPG) launched its *Local Edge* Inquiry, there was little sign of a coherent recovery programme. To offer some answers to this, the APPG set out to explore and showcase local leadership and to identify barriers to change at the national level. We structured our own Inquiry to fit within one overarching framework:

### How can the UK meet its commitment to cut carbon emissions by 68% below 1990 levels by 2030?

The government has set bolder carbon reduction targets for 2035 and 2050 but meeting its 2030 target is what presents the most immediate challenge. Delivering this scale of carbon reduction within the decade needs more than just a review of national policies: it requires a rethink of the role localities must play as the leading edge in tomorrow's climate (and economic) recovery programme.

Prior to our own Report, two other important contributions have been made to the current debate. Chris Skidmore MP's *Net Zero Review*<sup>1</sup> set out a raft of measures through which the UK might take advantage of the promised clean energy revolution. At the same time, Gordon Brown's *Commission on Constitutional Reform*<sup>2</sup> dug deep into the mechanisms needed to put democratic accountability back into the heart of UK politics. While Skidmore was strong on climate opportunities, his Report lacked the timetabled framework needed to meet current UK obligations. And whilst Brown was strong on democratic and constitutional reform, climate was completely absent. What follows is our APPG's attempt to provide a bridge between the two. Our *Local Edge* Report links climate aspiration and constitutional obligation, offering a joined-up response to today's most urgent crises.

At the outset of our Inquiry, the Resolution Foundation warned that the UK faces "the deepest living standards squeeze in a century".<sup>3</sup> The Climate Change Committee



<sup>1</sup> Chris Skidmore, 'Mission zero: Independent review of net zero', 20/01/23, <https://lordslibrary.parliament.uk/mission-zero-independent-review-of-net-zero/>

<sup>2</sup> Gordon Brown, 'A New Britain: Renewing our Democracy and Rebuilding our Economy', <https://labour.org.uk/wp-content/uploads/2022/12/Commission-on-the-UKs-Future.pdf>

<sup>3</sup> Resolution Foundation, 01/09/22, <https://www.resolutionfoundation.org/press-releases/new-pms-term-in-office-on-course-to-be-marked-by-deepest-living-standards-squeeze-in-a-century-and-three-million-more-people-in-absolute-poverty/>

expressed alarm at the extent to which the UK is failing to meet its legal carbon reduction obligations<sup>4</sup>. And climate scientists at the IPCC added that the world has “ a brief and rapidly closing window to secure a liveable future.”<sup>5</sup>

Faced with such challenges, only the radical now looks reasonable.

Any framework the UK adopts will have to include the ‘hidden’ carbon footprint of aviation, shipping, imports (and the export of waste) which are currently not accounted for in government calculations. Moreover, it will have to factor in the disruptive impacts of ‘wild weather’ events and international conflicts on decentralised supply systems.

Even with nature in the driving seat, political parties can still take different approaches to the delivery of transformative change. However, as with Roosevelt’s original New Deal Programme, each will require national plans that transform the economy, repair the environment, and rebuild the sense of an inclusive and stable society. Such plans will transform the ecological boundaries of economics itself.

Historically, the UK has often locked itself into fractious debates about ‘living within a balanced budget’. These fail to grasp that carbon, not cash, is becoming the critical point of balance. They also overlook the fact that post-Brexit Britain must compete with massive intervention measures in the both the USA and the EU.

Biden’s Inflation Reduction Act (IRA) is investing over \$370bn in clean energy innovation. In response, the EU will loosen its ‘state aid’ rules, to accelerate investment in renewable energy and carbon reduction. In the UK, the CBI warns that we risk being left behind in the climate innovation race if climate rhetoric isn’t matched with climate resources (and duties). Delivery cannot take place at national level alone.

Much of the evidence presented to the Inquiry addressed the role localities can play in the delivery of reduced food and product miles, lowering energy bills and delivering low-carbon lifestyles. These are essential parts of a fresh approach to carbon budgeting. They also highlight the skill-sets the UK will need to invest in for tomorrow’s low-carbon economics.

Our Report outlines constructive choices that would address the shift that’s required. In particular, it identifies how changes to national legislation can unleash the potential of local initiatives, enabling them to scale up and flourish. In reality, nothing less will get the UK through the upheavals that lie ahead.

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<sup>4</sup> Climate Change Committee, 29/06/22, <https://www.theccc.org.uk/publication/2022-progress-report-to-parliament/>

<sup>5</sup> IPCC Press release | Climate Change 2022: Impacts, Adaptation and Vulnerability, <https://www.ipcc.ch/report/ar6/wg2/resources/press/press-release/>

## *REVISITING ROOSEVELT*

Today's problems are of a different order from those facing Roosevelt in the 1930s. He inherited the ecological disaster of the American Dust Bowl. We sit on the edge of much wider eco-systems collapse.

Roosevelt had to address mass unemployment. The UK faces the mis-employment problems of a society that wants to consume but not produce, and which lacks the skill-sets needed to repair, repurpose or redesign the framework of a more circular economics.

The single biggest common factor linking the two eras is the need to re-regulate national and international financial institutions. Countries in the global South can neither afford nor should they be expected to self-finance mitigation for climate damage for which they were not responsible. In richer economies the question is not that different. Financing the *Green New Deal* will require institutional taxation and regulation more than personal taxation. Nowhere is this more important than in financial services.

Today's cost of living crisis has created chaos, not only for families but also for businesses across the land. One exception, alongside the oil and gas companies, has been the UK's financial sector - particularly those parts able to lever substantial profits out of the financing of public assets/services. This was the sector most resistant to the changes Roosevelt needed to underpin his *New Deal*. The same is likely to be true for today's *Green New Deal*.

All the witnesses to our Inquiry stressed that regulatory obstructions and access to finance were the two biggest constraints limiting their ability to drive carbon-reduction programmes. Our Inquiry Report draws inspiration from alternative approaches being used to finance transformative programmes. Climate finance is something the APPG may come back to separately, but at this stage we would recommend that:

**Parliament should ask the Bank of England to detail the intervention measures being used to ensure the financial services sector delivers a 68% reduction in carbon emissions by 2030.**

This would go a long way to answering criticisms made by the Climate Change Committee (CCC), National Audit Office, the Local Government Association, UK100, the Association for Public Service Excellence and many others, that the lack of consistent policy and funding is the most limiting factor constraining local authorities' ability to meet UK net-zero targets.

## DELIVERING CO2 REDUCTIONS

Evidence sessions for the Inquiry were held between 25th October and 8th November 2022 and structured around three themes:

1. Heat, energy and buildings
2. Food, land use and nature
3. Transport and air quality

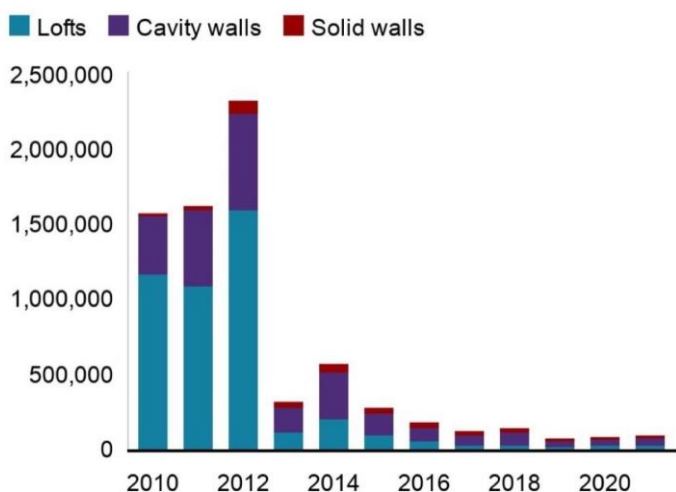
While the Report follows this same format, it also brings together separate contributions and witness statements into a single overarching picture.

Distinct, decentralised examples illustrate some of the ‘best practice’ models the UK should seek to replicate. The most progressive follow a pattern in which national governments set out statutory climate obligations, leaving localities to determine how best to deliver them. Rather than ruling out cross-boundary collaborations, this would appear to increase the scope for local partnerships. This pattern runs across all three parts of the Inquiry framework.

### 1. HEAT, ENERGY AND BUILDINGS

Some 80% of UK household energy costs go into space and water heating. Reducing these would

#### Insulation installation rates in UK homes



Note: homes could have more than one insulation type

Source: BEIS and UKCCC

BBC

be the fastest route into radical carbon reductions. A 2019 CCC Report, *UK housing: Fit for the future?*<sup>6</sup> warned that the UK's legally binding climate change targets will not be met without the near-complete elimination of greenhouse gas emissions from UK buildings. The Report found that emissions reductions from the UK's 29 million homes had stalled, while energy use in homes – accounting for 14% of total UK emissions – had increased between 2016 and 2017.

More recently a Report from the National Housing Federation suggested that UK homes could be responsible for more energy use than all of the UK's cars.

<sup>6</sup> <https://www.theccc.org.uk/publication/uk-housing-fit-for-the-future/>

UK Government attempts to address home insulation have been poorly planned, ill-funded and badly executed. Opportunity after opportunity has been missed to address energy efficiency at the national level.

Evidence presented to the Inquiry reinforced the case for long-term, well-resourced and targeted intervention strategies. *Warmworks* is the managing agent of the Scottish government’s national fuel poverty scheme and delivers a range of energy efficiency programmes. Since its launch in 2015, *Warmworks* has supported over 30,000 fuel-poor people. *Warmworks* is able to take advantage of a 7-year contract period, decentralising the specified standards for upgrades and requiring the shift from gas to heat pump installations. For contractors, this also provides certainty for both investment planning and training.

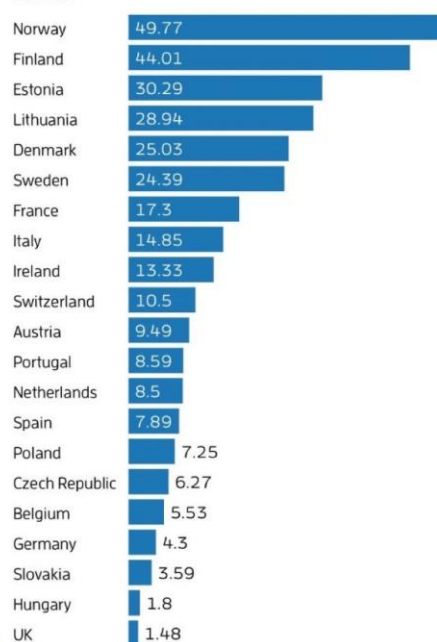
To tackle the UK’s poor track record of heat pump installations, Scotland’s *Warmworks* also makes a strong case for giving localities the power to make heat pumps the default requirement for boiler replacement schemes, when accompanied by energy efficiency improvements to the housing fabric. To do so would not only deliver rapid carbon reductions but accelerate the creation of new skills and jobs in a low carbon economy.

In Wales, the Inquiry heard, Swansea took a different approach, and the local authority established the *Swansea Standard* (close to Passivhaus level) as the basis for building its own highly energy efficient and therefore ‘affordable to heat’, council houses using its own directly employed labour. Moreover, they also set about radically reducing the carbon-footprint of their building supply chain.

Previously, the council had tried building to Passivhaus standard but found that 60% of the materials used were imported and that specialist labour was needed. Under the *Swansea Standard* 85% of the materials are supplied from within a 35-mile radius of Swansea and a local labour force can be used. The gains are in reduced carbon-miles, increased local employment and associated skills and a rejuvenated local economy. Existing homes in the Swansea Bay Region will benefit from the *Homes as Energy Systems* scheme, retrofitting 7,000 homes over five years, including fabric measures along with solar PV, batteries and heat pumps.

### The UK has Europe's worst heat pump installation rate

Heat pump sales per 1000 households in 2021



**Bath** and **N.E. Somerset** took a similarly ambitious approach to their Local Plan, putting CO2 reduction targets into their planning and building policies.<sup>7</sup> This is an important but inconsistent part of the current UK planning framework.

Under the Planning Act 2008, local authorities are entitled to ask for a 19% uplift on existing Building Regulations, but this does not equate to meeting climate targets. Bath is the first local planning authority to have had approval for an energy-based, net-zero housing policy in its local plan. Several local authorities made similar efforts, with mixed results. **Cornwall** had a similarly supportive Planning Inspector fully endorsing the inclusion of 2030 net-zero climate targets in their local plan. In contrast, **West Oxfordshire** and **Lancaster City Council** both saw Planning Inspectors reject the inclusion of net-zero/climate targets in their Local Plans. Planning Inspectors cannot be allowed to undermine national policies in this way.

Other European cities have been able to push much further in the adoption of carbon reduction policies. **Barcelona** already gets 60% of domestic heat energy supplied by solar-thermal. **Denmark** socialised the ownership of renewable heat (as a not-for-profit service) in the mid-1970s. This now includes the extraction of heat from its canals.

**France** requires all new buildings to have solar or nature roofs and has just extended the legislation, now requiring all medium/large car parks to install solar roofs too. In the **Netherlands** and **Denmark** new developments can no longer be connected to the gas grid, forcing the shift into renewable energy in order to deliver decarbonised heat.

Drammen in **Norway** uses some clever physics (ammonia-based heat pumps<sup>8</sup>) to extract renewable heat from their fjords and **Italy** allows 110% of the costs of eco-upgrades and renewable energy installations to be offset against tax liabilities.

At a strategic level, the APPG was impressed by the role played by the European *mPOWER* project, coordinating links with over 100 municipalities on energy transition. This forms part of a Europe-wide learning network, with a focus on citizen engagement<sup>9</sup>. It takes the work of UK groups like CLES and UK100 to a different level.

However, evidence from *Oldham Carbon Co-op* made clear that the biggest difference between UK and European locality initiatives lies less with motivation and more with mandate. Their evidence prompted an extremely helpful follow up meeting with the energy regulator, Ofgem, to discuss wider community participation in the energy system.

Ofgem was well aware of criticisms that the UK has an over-centralised approach to energy generation, storage and distribution. They also recognised the evidence submitted to our Inquiry that:

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<sup>7</sup> Council adopts ground-breaking planning framework, 20/01/23, <https://newsroom.bathnes.gov.uk/news/council-adopts-ground-breaking-planning-framework>

<sup>8</sup> <https://www.bbc.co.uk/news/business-31506073>

<sup>9</sup> Cities learning for fair, clean & democratic energy, mPOWER, <https://municipalpower.org/>

- The existing regulatory system favours big generators over more localised producer/consumer systems.
- Current 'access to system' charges work against the emergence of more local energy systems,
- 'Grandfathering rights', giving priority grid-access to big generators, are an obstacle to more localised, renewable generators in gaining access to the energy system.
- The non-disclosure of accurate energy data makes it difficult for localised schemes to meet energy-balancing requirements.
- The absence of direct carbon and demand reduction targets reduces pressure to cut energy system losses, prioritise carbon reduction, develop integrated heat and power systems or prioritise energy saving.

In response, Ofgem pointed to their current review of the UK energy system, proposing the creation of a new Future Systems Operator to address many of these issues. Specifically, one of the options being looked at proposes a new *Regional System Planner* function that would be separate from the Network Operator and with stronger ties to local planning systems.

The *Local Edge* Inquiry welcomes such moves but urges Ofgem to go considerably further.

#### RECOMMENDATIONS:

1. It should be a legal duty for the UK energy system - including network operators - to work within annually contracting carbon budgets.
2. The government must reverse current proposals to include fossil fuel power generators in UK capacity auctions on long-term contracts lasting until 2041. All such auctions must have carbon reduction obligations attached to them, consistent with UK 2030 and 2035 commitments.
3. Ofgem should open its Innovation Funding to promote more localised 'combined heat and power' systems that include both energy sharing and storing.
4. Ofgem and the new Department for Energy Security and Net Zero (DESNZ) must require local energy data to be put in the public domain and made fully available to more autonomous local grids.
5. Grid access charging, particularly to lower voltage networks, should be radically overhauled in favour of more localised energy systems.
6. Ofgem proposals for a *Regional Systems Planner*, linking regional energy and local planning systems, should have carbon-reduction duties attached to them, including a power to specify the replacement of gas boilers with heat pumps.
7. In periods of excess electricity supply, Ofgem rules should prioritise the lowest carbon/lowest marginal cost supplies; ending the current situation in which wind turbines can be stood down to keep power stations running.
8. To reduce price volatility, Ofgem should switch from the current pricing system - based on the highest marginal cost - to an average cost pricing system that favours more localised and lower cost renewables.



## FINANCING A GREEN NEW DEAL FOR ENERGY

Many submissions to the Inquiry criticised the rigidity, bureaucracy and inconsistency of policies underpinning the UK's commitment to carbon reductions. There is much to learn from elsewhere.

Witnesses mentioned **Italy's** tax-focused approach to driving carbon reduction and the shift into renewable energy, where households and businesses can claim 110% of the cost of installations and efficiency improvements against tax liabilities over the following five years. **France, the Netherlands and California** have all used planning legislation to drive regulatory change in favour of renewable energy investments. **Norway** has used its sovereign wealth fund to finance the shift into renewable energy and **Denmark** changed its entire energy market framework in favour of more devolved, integrated, and sustainable energy cooperatives. For UK purposes, it is also worth a closer look at the *Energiewende* programme in **Germany**.

Germany was the first country to use Feed-in-Tariffs (FITs) to accelerate a shift in favour of renewable energy. These were set for different technologies, with differing rates of tariff reduction (based on annual cost reductions/productivity improvements that had to be met). More significantly, the German State partnered with its banking sector to deliver fast-track deployment at a local level.

Germany made low-interest loans available to underpin its *Energiewende* programme. Then, the German Development Bank (KfW) commissioned High Street banks to produce a simple application format - one that could be completed within a single session in any High Street bank - to process applications that had local planning approval. In addition, the KfW set up training for front-line bank staff to ensure all the competences were in place, and then underwrote 50% of risks in the overall programme.

The UK's approach to energy transition and energy saving programmes is regularly criticised for being excessively centralised and bureaucratically cumbersome. In contrast, Germany's approach focused on fast-track delivery, simplified bureaucracy and localised accountability.

German localities are also looking at extending this approach to the private rented sector - setting higher standards of energy efficiency as preconditions of the right to rent, and combining these with easy access to soft finance. The British government should take the same approach.

To meet the UK's 2030 commitments, local authorities will have to have powers, resources and duties to make energy generating and energy saving the baseline of their planning and programmes.

Such powers could include a fresh approach to local authority use of municipal bonds. Now referred to as Community Municipal Investments (CMI's). These allow individuals to invest directly in local authority renewal programmes. Current examples include:

- **West Berkshire District Council** used a CMI to build a new solar power installation; with one fifth of the money coming from local people.
- **Warrington Borough Council** used a CMI to fund a new hybrid solar-storage farm, expected to generate clean energy and a £100m operating surplus over the next 30 years.
- Another five councils from England and Wales - **Blaenau Gwent, Cotswold, Eastbourne, Islington** and **Lewes** - have subsequently committed to similar clean-energy bond issues.
- **Bethesda** formed a community interest company, transforming the way in which power is bought and sold in their Welsh village<sup>10</sup>. Households pay the community hydro plant (7p/kWh) when they use the local hydroelectricity. This is less than current grid prices, but more than the hydro would get if it sold on the open market. Everyone (in the community) wins. If additional electricity is needed, it is supplied through *Co-operative Energy* at commercial rates. But smart metering allows households to adjust the timing of energy use to maximise possible cost savings.

Ofgem, DESNZ and HM Treasury need to facilitate more proactive models of cooperative community energy and the growth of more democratic and decentralised grid systems. This process could be accelerated if energy network operators (DNOs) were also give a duty to cut energy demand by 5% a year as part of the Ofgem recommendations above.

The change of pace needed in the UK's housing and energy decarbonisation programmes is vast. To deliver this, the government must replicate more transformative approaches already delivering change elsewhere.

## RECOMMENDATIONS:

1. The government should introduce a European style 'right of local supply', promoting the development of more localised energy communities across the UK.
2. Clauses 32 and 33 of the Public Procurement Bill, currently at Committee Stage in the House of Lords, should be amended to enable community energy companies to bid for local supply contracts.
3. DESNZ and Ofgem should replace the ECO energy efficiency programme with a revised version of Warm Zones; in which whole-area approaches to energy conservation are developed rather than individual household/supplier ones.
4. The government should adopt Scotland's *Warmworks* approach to energy efficiency contracts, allowing localities to enter into longer-term agreements that include up-skilling and apprenticeships.
5. The government should restore energy efficiency funding programmes to at least the level reached in 2012.
6. The government's proposals for a minimum standard of EPC C for new tenancies from 2025, and existing tenancies from 2028, should be introduced through the Energy Bill and turned into law.

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<sup>10</sup> 'Local energy for local people for local benefit', Energy Local, January 27, 2023, <https://antidotecounteragent.wordpress.com/2023/01/27/local-energy-for-local-people-for-local-benefit/>

7. There should be a 1% mortgage interest rate premium levied on all buy-to-let properties with an EPC below Band C. This should be fully refundable if EPC Band C standard is reached within 3 years.
8. The government must ensure that planning law embraces UK net-zero climate targets and their specific inclusion in local plans.
9. The government should prioritise the Swansea-style localisation of supply chains.
10. DESNZ, the Department for Environment Food and Rural Affairs (DEFRA), the Treasury and Ofgem should expand the Bethesda model of community hydro, promoting the use of streams, rivers, reservoirs and lagoons for renewable energy generation.

## 2. FOOD, LAND USE AND NATURE

Food is the most complex and critical part of any response to the climate crisis. People must eat to stay alive. Increasing numbers struggle to do so. And with UK annual food-price inflation at its highest ever level – 16.7% in February 2023 - this forms a central issue in the current cost-of-living crisis.

Just eight companies control 90% of the UK's food supply. The prioritisation of price has hollowed out UK agriculture, such that primary producers only receive about 5% or 6% of the value of the food we buy. The UK food system may appear secure, but we have a fragile, just-in-time, international supply chain which could easily collapse; and a depleted UK agriculture sector which produces only around 50% of the food we eat. It leaves the country vulnerable to international markets and production methods which are damaging to the environment and human health. Of the six million hectares of cultivatable land in the UK, only 168,000 hectares are used for fruit and vegetables.

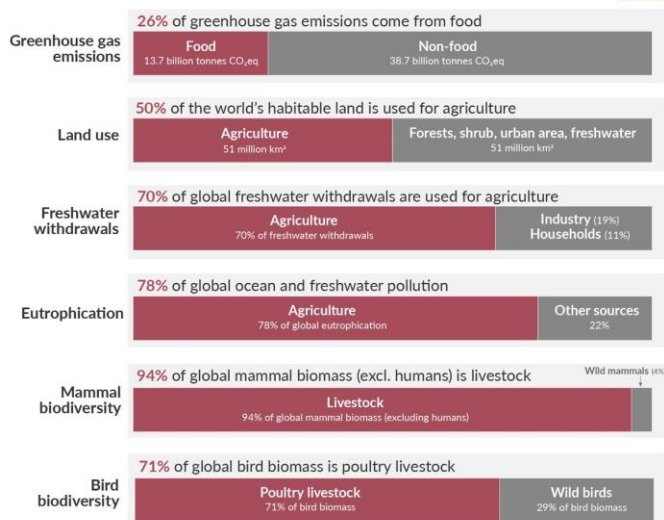
There is also a huge gap between rich and poor in terms of access to food. Food is the biggest driver of NHS spending, mainly relating to the problems of obesity, diabetes and heart disease. What we eat is essential to human wellbeing, but how we produce and treat food can also damage the health of both people and planet. Some 26% of current greenhouse gas emissions come from food production. The overuse of fertilisers is depleting soil quality at a frightening rate and 30% of current food production is being discarded. Better approaches to human, climate and environmental wellbeing will require direct alternatives to today's globalised food system.

The UK government gives no strategic role to local authorities to deliver CO2 reductions and food security through localised food systems. Such powers and duties will become critical elements in meeting today's UK carbon reduction targets.

Witnesses to the APPG's *Local Edge* Inquiry all brought rich examples of the shape of low-carbon food systems the UK should embrace. While some witnesses rightly wanted the food debate to focus on changes in diet, the starting point has to be *the need for food and agriculture to have its*

own programme for cutting carbon emissions by 68% by 2030. This would be where more localised food systems come into their own.

#### The environmental impacts of food and agriculture



Data sources: Poore & Nemecek (2018); UN FAO; UN AQUASTAT; Bar-On et al. (2018); OurWorldInData.org - Research and data to make progress against the world's largest problems. Licensed under CC-BY by the author Hannah Ritchie.

Food systems that operate within annually contracting carbon budgets rapidly transform themselves. Much of Europe's **Slow Food movement** demonstrates the ability of more localised food systems to exist comfortably within contracting carbon budgets. Some organisations are already setting targets for the percentage of food to be supplied from within their own region. When the **Nottingham Combined Hospital Trust** switched to local food sourcing it was also able to show that food miles could be cut by over 90%.

In low-carbon food systems, agro-chemical use can be radically reduced (or abandoned), soil fertility restored, water course pollution eliminated, biodiversity enhanced and more seasonally based diets become the new norm.

More recent developments in urban agriculture and localised food strategies add to the pioneering role local authorities and local communities could play in the development of a food dimension within the *Green New Deal*.

In its evidence to the Inquiry, however, **Sustain** (the Alliance for Better Food and Farming) reported that only 13 out of 92 climate emergency plans by UK councils included policies to tackle food emissions. Two thirds (67%) of climate action plans contained no new or substantial proposals to tackle food-related emissions at all.

The APPG found this alarming, given that the CCC's 2022 report specifically called on parliament to:

*Set out a Net Zero delivery strategy for the agriculture and land use sectors that brings together how land can deliver its multiple functions including: reducing emissions and sequestering carbon, adapting to climate change, food security, biodiversity, domestic biomass production and wider environmental goals. The strategy must clearly outline the relationships and interactions between the multiple action plans in development (e.g. including those for peat, trees, nature, plant biosecurity and biomass), be spatially and temporally targeted, and aligned with action in the devolved administrations.*<sup>11</sup>

<sup>11</sup> Climate Change Committee, 2022 Progress Report, <https://www.theccc.org.uk/wp-content/uploads/2022/06/Progress-in-reducing-emissions-2022-Report-to-Parliament.pdf#page557>

Evidence submitted to the APPG Inquiry showed that *Local Food Partnerships* are key elements in delivering the CCC targets. **Sheffield's Regather** cooperative captured the approach needed. Using land it acquired at the edge of the city, *Regather* supplies local food to 600 households/week. It also uses electric trikes for last-mile delivery and any surpluses from their farm are donated to community kitchens. What *Regather* emphasised, however, was that DEFRA's minimum size eligibility requirement - 15 acres - for community supported farm schemes presented a real barrier to the growth of community agriculture.

No less important is the need to apply carbon budgeting to re-invigorate UK agriculture. Orders for 150,000 apple and pear trees were cancelled this winter because growers cannot cover the costs of production and storage<sup>12</sup>. Supermarkets can import produce from half a world away at prices UK growers cannot match. None of this puts agriculture on a path to a 68% cut in carbon emissions. We have to look more widely at what the shift into low carbon agriculture might involve.

In **Montréal**, *Lufa Foods* took this to a different level, both in partnering with local farms but also in constructing rooftop greenhouses on top of factory buildings. Using hydroponic and low impact cultivation methods, *Lufa Foods* currently supplies over 20,000 food baskets/week to Montréal households.

The UK followed suit, with **Scunthorpe** currently boasting Europe's largest vertical farm. Covering an area equivalent to 26 tennis courts, it uses hydroponic growing methods, reducing water requirements by up to 94%. Even bigger vertical farms are under construction in **Norfolk** and **Gloucestershire**.

Critical to this process is the need not only to reduce the carbon and water footprints of food production, but also to radically reduce food-miles and strengthen food security. From the war in Ukraine to extreme weather disruption of harvests and growing seasons, it is clear that today's *Green New Deal* will have to have food security at its core.

This is where Sustain's local food partnerships become essential. Evidence from the **Brighton and Hove Food Partnership** reinforced this point. Partnerships between local food communities and local authorities are needed to unlock access to land needed for urban growing. In a post-Covid UK, this could be one of the most constructive re-purposing of town centres that parliament needs to support; for example, by making this a condition of development planning, offering business rate reductions to shops specialising in local food production and/or extending grant eligibility to small scale, community agriculture.

**Sheffield** is looking at ways of doing this through an *Urban Agriculture Task Force*. Similar 'Fringe Farming' Programmes have also been established in **Bristol**, **Glasgow** and **Cardiff**.

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<sup>12</sup> The Grocer, 23 January 2023, <https://www.thegrocer.co.uk/fruit-and-veg/apple-growers-stop-planting-as-cost-of-production-soars/675536.article>

**Scotland's** Good Food Nation Act 2022 and **Wales's** 2021 Community Food Strategy have both taken this to a different level - linking food security, local availability and climate security into a common programme.

To deliver real change, however, these initiatives require local authorities to be given new food powers and duties. This can best be exemplified in **Liege's *Food-Land Belt*** programme. The Liege authority has a target of supplying 50% of its food needs from within its own region. To do so, the local authority helped with the formation of a series of farm cooperatives and a collaborative framework for them to work within. The authority also oversees the development of a low-carbon distribution infrastructure. The same powers, duties and incentives are needed in the UK.

#### **RECOMMENDATIONS:**

- 1. Following the framework set by the Climate Change Committee, the government should produce an action plan within which the agri-environment sector must meet its designated 68% reduction of carbon emissions by 2030.**
- 2. The government must provide a template for measuring how different elements of environmental repair work - peat-bog restoration, tree planting, re-greening cities, etc - contribute to meeting the UK 2030 carbon reduction commitments.**
- 3. The UK requires a National Food Bill, along the lines already established in Scotland.**
- 4. The government should use existing budgets and funding streams - including the Shared Prosperity Fund (SPF), Levelling Up Fund (LUF) and Community Ownership Fund (COF) - to create a £300-500 million Local Food Investment Fund (LFIF) to provide strategic support across the UK for investment in localised agri-food infrastructure and enterprise.**
- 5. Planning policy should be amended to prioritise safeguarding land that has Grade 1 and 2 soils for peri-urban, agro-ecological farming.**
- 6. Local authorities should be required to produce Community Food Strategies along the lines taken by Scotland and Wales, linking food security and climate security in a common programme.**
- 7. Local authority climate emergency plans must include policies to tackle food emissions.**
- 8. All carbon subsidies (to fertilisers and fuel) must be swapped into support for regenerative and organic farming.**
- 9. Grants and zero-interest loans should be made available to farms using renewable energy systems**
- 10. 'New-for-old' scrappage schemes should be offered for the replacement of fossil-fuel farm equipment.**
- 11. Research projects should evaluate the contribution of on-site, energy from farm-waste projects.**
- 12. There should be no minimum-size requirement for applications to DEFRA's community supported farm schemes.**
- 13. Local authorities should be empowered to acquire Land Banks, supporting the development of localised food initiatives.**
- 14. Local Authorities should be included, as key local stakeholders, in the design and implementation of the Environmental Land Management Scheme (ELMS) to ensure it delivers locally on Net Zero, land use, adaptation and biodiversity strategies**

15. The government should oversee the publication of annual landholding audits and offer devolved intervention powers to support peri-urban food production.
16. The government should provide local authorities with the resources to support the development of regional and sub-regional farm co-operatives, with targets set for the percentage of food needs to be met from within the region itself.
17. Food outlets should be entitled to business rate reductions if 50% of their produce is grown within 50 miles of the locality.
18. Supermarkets should be obliged to publish figures detailing their success in delivering annual reductions in food miles.
19. By law, no retailer should be allowed to own more than 15% of the UK food retail market.
20. Local authorities should set up Urban Agriculture Task Forces to examine ways in which UK urban food production (including vertical farming) can be rapidly expanded.
21. Jointly with local authorities, the government should produce a national Urban Orchards plan; specifically including the role that schools, universities and hospitals might play in it.
22. The government should produce a Food Resilience and Sustainability Act, complete with legally binding targets.
23. The government should set national nutritional guidelines as the basis for food procurement contracts, including guidance on the shift towards more plant-based diets.
24. The government should publish an audit of food production in the UK and the budget for public health should be doubled from £2.5bn to £5bn.
25. The government should oversee the creation of a network of urban and rural food and farming colleges.

To a mixed reception, the government published its own Food Strategy in June 2022. Now, faced with a dual climate and nature crisis, and with people's food bills spiralling, there could not be a better moment for a more joined-up, transformative strategy.

The current government aspiration is for 50% of public food procurement to be produced locally, and to higher environmental standards. The strategy is linked to the commitment to publishing a land use framework in 2023, designed to balance the demands for food production, nature and climate action. Local authorities must be at the centre of both.

The key step now is for government to make these commitments an obligation, not just an aspiration. Then, with resources to do the job, localities can drive the transformation process.

### **3. TRANSPORT AND AIR QUALITY**

One third of UK carbon emissions come from transport, and private cars are the biggest contributor. This is also the principal source of air pollution in our most congested towns and cities. We need to dramatically reduce car use to reach our climate targets. Doing so would also bring significant health gains.

Lockdown measures imposed in 2020 had a considerable impact on road traffic accidents. The number of accidents fell by 22% compared with 2019 (down from 117,536 to 91,199). But in post-

war planning, the car has taken precedence over the community in the way cities work. Collective transport priorities have given way to personal ones.

The UK cannot deliver its 2030 commitment to a 68% reduction in CO2 levels without a fundamental re-think of transport systems and priorities.

The National Audit Office already recommends that government strengthen the links between its work on air quality and Net Zero<sup>13</sup>. The government could facilitate this by encouraging the growth of Low-Emission Zones, removing tax allowances from fossil-fuel vehicles (as in Norway) and transferring them instead to 'last-mile'/zero carbon delivery vehicles and public transport passes.

The APPG recognises that a post-Covid re-think of the relationships between work, commuting and community is already taking place. How we move around has a huge impact on the communities we live in and on the global climate. The transport system we choose will shape the quality of the air we breathe, the safety of streets where children walk and play, and how convivial our towns and cities become. Vitally, it will also determine whether affordable, safe and clean mobility is available to everyone who needs it.

No less important is the need to re-integrate transport thinking with nature. Extreme weather events increasingly demonstrate the UK's lack of resilience in respect of flash flooding or extreme heat waves. Evidence presented to the *Local Edge* Inquiry made it clear that climate/environmental resilience can be incorporated into transport policies, often at no great cost. But it does need to be a conscious, integrated process, not an accidental one.

While much of the evidence presented to the Inquiry focused on the need to re-think towns and cities, there were also critically important submissions relating to rural communities and lifestyles. Low carbon transport solutions must also address the mobility and access needs of those who do not live in cities.

## ACROSS EUROPE

Local authorities have been revising their transport priorities in a number of exciting ways. In 1991 the city of **Pontevedra** (Spain) effectively banned cars from within its city limits. Since then the population has grown by 20%, all within a framework that favours public and pedestrian traffic movements.



**Luxembourg** has made all public transport free, as have several **French cities**.

In **Brussels**, the local authority introduced an ambitious circulation plan, aiming to reduce car-traffic in the centre by 24% by 2030.

<sup>13</sup> NAO, Achieving net zero, 04/Dec/2020, <https://www.nao.org.uk/reports/achieving-net-zero/>



**Amsterdam** is on track to remove 11,000 on-street parking spaces by 2025, while **Paris** has already removed 70,000 parking spaces. Across Europe there are currently 320 low emission zones excluding older petrol and diesel vehicles from major towns and cities. This number is projected to rise to over 500 by 2025.

In addition, many European cities have been rethinking their transport systems to reduce the 'heat island' effects of a warmer Europe. **Vienna** has expanded its existing cycling infrastructure, designing new routes that are lined with trees, green spaces and public drinking fountains. Several decades ago, **Stuttgart** began surrounding its tram tracks with grassed areas to absorb heat from the rails. **Nuremberg** and **Mainz** have followed suit.

**Utrecht** has added green roofs to its bus and tram stops, both to absorb heat and to provide green spaces for butterflies and pollinators. The Mayor of **Paris** taken this to a different level by creating 100 hectares of vertical gardens in the centre of the city. **Milan** is doing the same.

## IN THE UK

The APPG was struck by the work done in pioneering localities that have linked socialised transport policies with nature restoration. In 2013, **Rotherham** set the standard with its award-winning *River of Flowers* concept - filling the central reservations of its dual carriageways with wild flowers. An array of towns and cities have followed suit.

These initiatives not only offer important answers to the problem of urban 'heat islands'. Communities involved in such programmes - including the development of urban-parklets, or re-greening local streets and urban spaces - also discover important community-building and mental health gains that come with the process. These are not costly programmes. Nevertheless, financially pressed local authorities often have neither the funds nor the staff to underpin such work.

**Greater Manchester** is the first city-region, outside London, to bring buses back into public control in more than 30 years. Under the City Region's *Good Lives for All* strategy, adult fares are capped at £2 per journey (and children's at £1). This will apply across all aspects of the new *Bee Network* which forms their integrated public transport system.

In **Nottingham**, the city's *Workplace Parking Levy* offers a national exemplar, although no other local authority has followed suit, despite its clear success. It helped fund the development of Nottingham's highly popular tram system and link buses. However, Nottingham's success also exemplifies what is wrong with the planning system. In the time it took Nottingham to build Line 1, the same contractor had built a whole-city network in Porto. Whole-city planning is an essential underpinning of any shift into low-carbon transport. Comparisons with other parts of Europe show how much ground the UK has to make up. In France urban LRT/tram systems are the norm. In the UK they are the exception.

Tram/LRT/Metro in Top 20 Cities in UK & France  
(ex. capital cities. Uses 'built-up' or Metropolitan Areas)



The government's Transforming Cities programme did help Nottingham deliver real-time bus information, contactless ticketing on buses, bus priority through junctions, new cycle infrastructures, a City Centre public realm and EV charge points. Trial active travel measures have also included pop-up cycle lanes, low traffic neighbourhoods, and car-free school streets. A further £2m government grant allowed some of the car-free school streets to be made permanent. The city is also engaged in e-scooter trials, the transport behaviour-change programme, the Workplace Travel Service and both electric van and e-cargo bike schemes.

In **Wiltshire**, Department for Transport grants have been used to restore bus services that had been discontinued and to improve others. This funding also allowed the Council to run Demand Response initiatives and new cycling schemes. The Council is now looking to integrate Demand Response services with existing fixed bus services at the edges of the Demand Responsive Travel (DRT) area.

Working in **Bristol, Birmingham, Leeds** and **London**, the *Car Free Cities* campaign helps local communities reimagine their own neighbourhoods, where car dependency is a thing of the past. Communities co-design practical solutions that encourage people to leave their cars behind and help make cities cleaner, greener, safer, and more accessible for all.

What cannot be ignored, however, is that such programmes can also become conflict zones between communities and commuters. The lessons from Greater Manchester and across Europe are that such conflicts can be minimised if integrated public transport alternatives are on offer. Faced with the 2030 task of cutting transport emissions by 68% it is hard to see how this might be done without a return to integrated public transport planning.

**Barcelona** offers a three year 'free' public transport pass to those who trade in their old car. **Germany** offers low-cost monthly regional travel passes, while **London, Greater Manchester** and an array of UK cities offer low cost public transport passes as alternatives to car use. The key

points that link this into carbon reduction strategies all revolve around two key elements: the existence of an integrated public transport network and making this the most affordable means of travel. Both will be critical to the decarbonisation of towns and cities.

Re-greening towns and cities - and making our streets safer for children, pedestrians, cyclists and nature - all begin from a coherent alternative to the free-for-all of car-congested streets. The majority of towns and cities could do this within their own net-zero local plans.

However, decarbonising road traffic around regional, national, and international airports presents a different challenge. Improving air quality and meeting regional carbon reduction targets will require a rethink of airports. High quality public transport links must become the norm, the government's fuel-price escalator has to be reinstated and annual carbon budgets applied to airports themselves.

### **RECOMMENDATIONS:**

- 1. Local authorities must be given a statutory duty to cut transport emissions in their area by 68% by 2030.**
- 2. The duty to deliver integrated public transport services should be returned to local authorities.**
- 3. Free or low cost fare systems should be a guaranteed part of any public transport offering.**
- 4. The government should finance programmes to develop last-mile, zero-carbon delivery schemes to support the retail, commercial and industrial needs of towns and cities.**
- 5. Local authorities should be given planning powers to require new developments to include direct access to public transport networks.**
- 6. The government should invite local authorities to submit whole-city tram network proposals rather than piecemeal developments.**
- 7. The government must offer fast-track approval to the introduction of local authority Workplace Parking Levy schemes.**
- 8. The government should follow the Welsh Assembly, redirecting much of its Roads Programme budget towards carbon reducing transport strategies consistent with UK 2030 climate obligations.**
- 9. HMRC should remove the tax-free status of car parking subsidies.**
- 10. Local authorities should be asked to submit plans for a 50% reduction in on-street car parking by 2030.**
- 11. The government should introduce generous scrappage schemes for the switch to zero-carbon transport, including Barcelona-style 3 year free public transport passes.**
- 12. The Road Traffic Reduction Act should be amended to require Ministers to introduce road traffic reduction targets and report annually to parliament on their progress.**
- 13. Enhanced tax allowances/incentives should be offered to promote the switch from cars to cycling.**
- 14. The government should fund pilot initiatives to explore ways of interfacing rural needs to access towns and cities and the subsequent zero-carbon movement within them. This must include the scope for county/rural local authorities to establish new networks of EV minibuses serving more dispersed communities.**

15. The government must consult with disability organisations to ensure their full inclusion in zero-carbon transport planning.
16. For inter-city movements, the UK should invert its current tax allowances/subsidies to make rail and bus the cheapest travel options.
17. The government must ensure that all viable airports are served primarily by public transport services.
18. All airports should be given annual carbon reduction targets.
19. The government must re-instate its annual fuel-price escalator.
20. All travel related tax allowances should be weighted in favour of zero-carbon travel.

## **2030**

Evidence submitted to the *Local Edge* Inquiry unlocked a rich stream of ideas about how the UK can meet its 2030 carbon reduction commitments and rebuild its economy along more sustainable and inclusive lines. Witnesses were confident that the UK can meet this target, but not without localities becoming much more central to the process. To do so, local authorities require both new climate duties and the resources to deliver them.

This does not make local authorities the answer to every problem. Some have lost contact with the communities they serve. Others have turned inwards in the face of unrelenting budget cuts. Many local authorities are finding it difficult to retain and recruit key staff, such as planners, environmental health officers and building control surveyors. But communities do know where to find their local authorities and how to press for inclusion in any transformation programme. And that is what's called for right now.

Each theme of the APPG hearings brought out the wealth of talent and ideas the UK could draw on. But to do so requires a change in government priorities and a fiscal framework to deliver them. We do not want to get drawn into ranking the different ideas and themes we have looked at. All will have to be addressed if the UK is to meet government obligations under the Climate Change Act.

One single proposal, however, links all the evidence submissions and recommendations together. It is the one we started out with:

**The government must make its commitment to 68% reduction in carbon emissions on 1990 levels by 2030 binding on all public sector organisations and agencies in relation to spending, programmes and projects, with a regular reporting requirement.**

This requires real policy leadership from the centre and the radical decentralisation in its delivery mechanisms. In effect, it would become a *Green New Deal* with localities and local communities locked into the heart of it.

# **EVIDENCE CONTRIBUTIONS**

## **SESSION 1. HEAT, ENERGY AND BUILDINGS**

### **Strategy and overview:**

1. Tracy Brabin, Mayor of West Yorkshire
2. Claire Spencer – West Midlands Combined Authority
3. Ellie Radcliffe, CLES
3. Rowan Mataram, mPower, Europe

### **Exemplar projects:**

5. Andrea Lewis, Deputy Leader, Swansea Council, Swansea Homes Standard
6. Ross Armstrong, Managing Director, Warmworks Scotland
7. Laura Williams/Jonathan Atkinson, Carbon Co-op, Oldham Energy Futures

## **SESSION 2. FOOD, LAND USE AND NATURE**

### **Strategy and overview:**

1. Tim Lang, Emeritus Professor of Food Policy, City University, London
2. Sofia Parente, Sustainable Food Partnerships
3. Gareth Roberts/Fran Halsall (Regather Sheffield)

### **Exemplar projects:**

4. Vic Borrill, Brighton and Hove Food Partnership (Sustainable Food Partnerships).
5. Dee Woods, Granville Community Kitchen/the Landworkers Alliance

## **SESSION 3. TRANSPORT AND AIR QUALITY**

### **Strategy and overview:**

1. Cllr. Richard Clewer, Leader Wiltshire Council, and Chair of the Countryside Climate Network
2. Nicole Badstuber, Associate Director Transport Policy & Planning at AECOM Transport.

### **Exemplar projects:**

3. Andy Burnham, Mayor of Greater Manchester
4. Hirra Khan Adeogun, Car Free Cities/Possible

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