

MAPPING THE PATH TO NET ZERO: LOCAL GOVERNMENT AND NET ZERO IN ENGLAND

ACE response



Role of ACE

- We are the association for the UK's professional consultancies and engineering companies operating in the social and economic infrastructure sectors. The Association for Consultancy and Engineering (ACE) champions infrastructure and the built environment to government and other stakeholders, representing the views of around 400 members.
- Our members employ over 60,000 in UK and 250,000 worldwide, contributing more than £15 billion to the UK economy. However, the buildings they create actively contribute over £570 billion a year of GVA.
- Our vision is for a political, economic, and commercial environment that enables the consultancy and engineering businesses to thrive and make the world a better place.
- We promote the interests of companies delivering professional services in the natural and built environment. We do this by bringing members together to share knowledge, experience, and insight. This shapes our tangible business support, as well as our proactive engagement with policymakers across the UK.
- Our members provide solutions to some of our biggest challenges – How do we design a Net Zero future? How do we create opportunity for communities across the devolved nations and level-up regions? How can we kickstart growth and jobs on a path to economic recovery? How can we deliver more social value?

Overview

- Mitigating the impact of Climate Change is a priority for ACE members. How we design, build, and operate our buildings and infrastructure will become the key consideration for our sector as changes in process, construction materials and technology will help us to deliver sustainable buildings which are truly net zero over their lifetime.
- After twenty years of gradually increasing focus on climate change, the issue is finally receiving the urgency it demands, from both Government and the wider business community. The challenge of Net Zero requires every part of the economy to make enormous changes, and these changes must not just be about reducing emissions, they must in most cases be about their complete elimination. For this reason, better national level policy is not sufficient, we need a new holistic approach to all levels of policy and all types of built environment projects.
- In December 2021, ACE's [‘Are we ready? Delivering Net Zero in the built environment’](#) report polled more than 130 Net Zero and sustainability experts who work across different areas of the built environment. The findings showed few sectors rating highly with common challenges such as client business models being incompatible with Net Zero pathways and disconnects between different regulators.
- We have included in our response sections from the [‘A place-based approach to net-zero’ report](#) Produced by the Net-Zero Infrastructure Industry Coalition. Mott MacDonald, an ACE member, is a founder of the Net Zero Infrastructure Industry Coalition.

ACE Net Zero workstream

- How society responds to the Net Zero challenge is the biggest question of our time. The Government has committed the UK to cutting greenhouse emissions to net zero and in doing so is playing its part in capping global heating at 1.5 degrees, thus mitigating the worst effects of climate change.
- Like all businesses, ACE members will need to change the way they work on a day-to-day basis. More than that though, as the designers of the built environment, they are key to delivering the net zero society of the near future.
- How we design, build, and operate our buildings and infrastructure will become the key consideration for our sector as changes in process, construction materials and technology will help us to deliver sustainable buildings which are truly net zero over their lifetime.
- Sharing innovation in the widest possible sense will help us to creatively respond to the challenge. This is also why the group's work is undertaken in partnership with members from ACE's sister organisation, the Environmental Industries Commission (EIC).
- Chaired by Sarah Prichard (UK Managing Director) of BuroHappold, the Net Zero group brings ACE and EIC members together to outline this net zero future. Through the policy forum and engagement across ACE and EIC's activity and through the Construction Leadership Council's CO2nstructZero campaign, the group is driving the whole industry towards a carbon free future. More information on the net zero workstream can be read here: <https://www.acenet.co.uk/groups/net-zero/>

Call for evidence

What should local authorities' role and responsibilities in reaching net zero by 2050 be? How clear are the expectations about the role of local authorities?

- The current policy framework for infrastructure is not well adapted to the Net Zero challenge. It is based on an approach whereby choices between major built environment investments are made on the assumption that a range of desirable policy goals must be balanced against each other and against project costs. This does not automatically deliver a solution compatible with the absolute nature of Net Zero. There is also a frequent assumption that where a project with environmental impacts is approved, then those impacts can be mitigated and dealt with at a local level.
- As part of discussions with our members, they tell us that the net zero expectation is currently unclear. Local authorities need devolved powers under a controlled framework that includes two-way information sharing with central government and amongst the local authorities themselves. There are a number of proposals to achieve this from industry, including the UK100.
- On local environmental impacts, the current approach focuses on the planning system and Environment Impact Assessments (EIAs) being used to regulate local impacts against legally set limits (such as air quality and noise). There is a net zero challenge to this, whereby greenhouse gas emissions have a global, not local, impact so no way to judge the 'significance' of a project's carbon emissions as clear EIAs are supposed to.

What are the priorities for change or clarification to align the national planning framework with net zero?

- ACEs [report on net zero](#) includes recommendations on local planning. These are:
 - Reform EIAs carbon chapters. Avoid ‘scoping out’ carbon and require carbon mitigation, not just measurement.
 - Revise the NPPF17 and require Local Plans to make a Net Zero strategy a planning condition for new developments. This could cover how the development is future-proofed for zero carbon heat options, for example.

What funding and resources are available for local authority work on net zero, and what are the priorities for improving local authority funding?

- The [‘place-based approach’ report](#) produced by the Net-Zero Infrastructure Industry Coalition highlights how the net-zero transformation will undoubtedly involve costs that are not reflected in our current markets. But that is also true of value; a local systems approach can derive previously untapped value by capitalising on co-benefits that are only visible or implementable at a local level, and which can reduce the overall whole-life cost. It can also show up potential risks in the system, which if unmitigated would manifest as cost
- With regards to local authorities understanding co-benefits, we would welcome an emphasis on how funding and resources, as well as net zero projects supported by the National Infrastructure Bank, aligns with the aims and objectives set out in the Value Toolkit. The Value Toolkit offers clients a structured approach for value-based decision making across the investment lifecycle of a project, programme, or portfolio. This means better outcomes from what we deliver and how we deliver it, leading to a more sustainable built environment and a more sustainable model for our industry. Directly supporting key policy objectives common to both the Government’s Construction Playbook, the Value Toolkit will allow policymakers, local authorities, and clients to make informed decisions at every stage of the project lifecycle.
- A lack of consistency in how value-based decision-making is approached has led to substantial gaps between what organisations set out to achieve and what they end up delivering in the built environment sector. Ensuring the investments link to the ambitions of the Value Toolkit will address this persistent challenge by providing an intuitive, user-friendly process and suite of tools to support organisations of all sizes to make and implement value-based decisions.

What should government’s analysis of net zero funding to local authorities focus on in the next Spending Review?

- As part of our response to this section, we wish to highlight the issues outlined in the ‘place-based approach to net-zero’ report Produced by the Net-Zero Infrastructure Industry Coalition.
- The continued and coordinated collaboration required to overcome significant systemic barriers can be fulfilled through a pan-city board that facilitates the individual and collective development of Partnerships, People and Platform, whilst acting as an expert advisor in relation to the introduction of increased Powers.
- With representation from cross-departmental national government, local and regional government, regulators, industry and the professions, the board could provide expert facilitation between city, local authority and government, and consistency between cities.

- This would include training for local authorities in ‘systems’; disseminating information on low regrets approaches; promoting a city scale standardised net-zero measurement approach; facilitating industry partnerships; monitoring and sharing of progress; and supporting management of risk for early adopters.
- More work is required to establish its structure, purpose, accountability, and membership but, with the pan-city board in place, cities can confidently unlock the benefits of a place-based approach to designing and delivering their net-zero programmes and government can confidently set up a national mandate, release powers and provide funding.¹

What will need to be in place to ensure that the UK infrastructure bank loans to local authorities for net zero work are as effective as possible?

We agree in principle that the National Infrastructure Bank should involve and devolve to local authorities where necessary, to ensure effective delivery, alignment with levelling up ambitions and net-zero. The Bank should engage local stakeholders in decision making, which could help in identifying and managing trade-offs around specific investments. However, it is also key that ambitions and investment for net zero take into account regional plans.

We welcome the focus within the National Infrastructure Bank on the need to offer advice and expertise to help deliver better projects and support the ambition of local authorities. Many large cities have internal expertise or are able to acquire this knowledge. There is a particular issue with growth towns that don't have these resources.

We welcome the Infrastructure Bank's core objectives to help tackle climate change and support regional and local economic growth. In an infrastructure and net zero context, the definition of infrastructure from the Infrastructure (Financial Assistance) Act, including water, electricity, gas, telecommunications, sewerage, or other services; railway facilities (including rolling stock); roads or other transport facilities; health or educational facilities; court or prison facilities; and housing is to be welcomed. This provides much needed clarity for many members, particularly those that will engage in with local authorities. However, to ensure loans to local authorities are as effective as possible, greater clarity is needed on what the Bank defines as ‘green infrastructure’, particularly as tackling climate change is a core objective.

What role can local community groups play in helping local authorities achieve their net zero ambitions?

- Our members have the expertise to help and assist local authorities deliver creative solutions in their communities.
- We would also draw attention to Mott Macdonald's work on ‘Creating the future we want’.
<https://www.mottmac.com/views/creating-the-future-we-want>

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¹ A place-based approach to net-zero, Net Zero Infrastructure Industry Council.

