

An illustration of two stylized figures against a light green background. The figure on the left is a person with dark skin and hair in a bun, wearing a white t-shirt and green pants, holding a white sign that says "OUR PLACES". The figure on the right is a person with light skin, wearing a green sweater and a white skirt with blue vertical stripes, holding a black sign on a stick that says "OUR PLANET".

**OUR  
PLACES**

**OUR  
PLANET**

Creating the  
conditions for local  
climate action

**April 2024**

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**CLES**

the national organisation  
for local economies

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## About the Centre for Local Economic Strategies (CLES)

CLES is the national organisation for local economies. Established in 1986, we are an independent charity working towards a future where local economies benefit people, place and the planet. This will happen when wealth and power serve local people, rather than the other way around, enabling communities to flourish. We have an international reputation for our pioneering work on community wealth building and are recognised as the curators of the movement in the UK.



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## What is climate action?

For this paper, we use the phrase “climate action” to encompass a range of adaptation and mitigation activity which can be carried out at different scales in response to the climate crisis.

On the local level this includes:

- The redevelopment of the energy system e.g. through the creation of heat networks or local energy generation, and retrofitting properties to reduce energy demand.
- The implementation of measures to address emissions from transport (such as Low Emissions Zones, low traffic neighbourhoods or installing EV charging points).
- Addressing emissions through food production and consumption.
- Nature restoration and conservation activity.



We stand on a precipice, one that is simultaneously fraught with danger and alive with possibility. That urgent action is needed on climate change is beyond doubt. Nor is there any question that our places are best situated and willing to deliver the bulk of this action.

But they are struggling. A myriad of barriers have prevented progress at the needed scale and still more are preventing local and combined authorities from seizing the era defining opportunity to build new local economies that are simultaneously greener and more inclusive. This research identifies and asks two of the most vital questions we need to consider if we are to create the conditions for this shift:

- What are the barriers preventing progress on local climate action?
- How can that progress be optimised so that, as well as enabling the scale of action needed, it builds community wealth?

Our answers to these questions were developed using existing research on the importance of the local in climate action<sup>1</sup> and informed by discussions with people working in local and combined authorities.<sup>2</sup> The insights gathered revealed five national policy barriers to delivering climate action that can support the growth of more inclusive local economies.

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<sup>1</sup> For example: UK100. (2023). Powers in Place: the handbook of local authority Net Zero powers. [Link](#);  
Rankl, F. et al. (2023). The role of local government in delivering Net Zero. [Link](#); LGA. Back Local  
Climate Action. [Link](#).

<sup>2</sup> Semi-structured interviews were held with officers from Brighton and Hove City Council, Preston City Council, Rochdale Borough Council, Hampshire County Council, South Somerset County Council, Lancaster City Council, Greater Manchester Combined Authority and Liverpool City Region Combined Authority.

# BARRIERS TO LOCAL CLIMATE ACTION

## Funding and finance

The endless squeeze on local authority finances is all the more detrimental when we consider that there is currently no statutory duty for them to deliver climate action. This leaves climate action far down the list of what local authorities can prioritise with the little money they have. Additionally, the competitive approach that has thus far dominated local funding for climate action has prevented long term planning from local and combined authorities and the businesses and skills providers they need to help them deliver. In the absence of sufficient funding, local and combined authorities have necessarily developed innovative approaches to generating their own climate-derived funding but, again, without a statutory duty, any revenue raised cannot be guaranteed for use on climate action.

## Centralised policy and powers

The centralised nature of the UK's system of government is a key barrier to progress on local climate action: control from the centre is preventing long-term planning for climate action across the different spatial levels of government; local investment and economic development in relation to climate action is being hamstrung by national policy uncertainty; and, inconsistency in skills planning has severely hampered the skills pipeline. Additionally, powers held at the local and combined authority level are insufficient to deliver against their climate action targets.

## Local governance

Local and combined authorities recognise the importance of cross-departmental working and place-based leadership to tackle their interconnected challenges on climate. However, their work is often siloed, shaped by central government departmental structures as well as their own governance structures.

## Place blind implementation

The way in which centrally mandated climate interventions are currently implemented means the nuances of delivery based on geography and socio-economic context are often missed. Without a spatially just approach to financing climate action, the communities which have the most to gain will miss out.

## The (necessary) challenges of partnership

To deliver on their climate ambitions, local and combined authorities must partner with other local public institutions, businesses, community and voluntary organisations as well as working directly with communities. Meaningfully and effectively engaging with communities around climate action is a pre-requisite to being able to deliver the large-scale changes needed but this is challenging and often hamstrung by the insufficient and short-term nature of much of the funding available.

## ACTIONS FOR CHANGE

Our recommendations to overcome these barriers outline the changes needed from the government at Westminster to enable local and combined authorities to deliver climate action at the scale and pace required. Put together they set out a roadmap for seizing the opportunity to reshape our local economies so that they build community wealth while delivering vital local climate action.

### Enact a statutory duty

Local and combined authorities need a statutory duty to address climate change which mandates meaningful participation with local communities and is coupled with appropriate place-based funding based on area need.

### Provide long term funding

An appropriate financial settlement for local and combined authorities will be critical to the successful delivery of local climate action. Competition-style funding pots should be replaced with long term, secure funding arrangements and the government at Westminster should explore how they could further support local and combined authorities to create and use climate-related revenue raising approaches effectively.

### Use devo

Any future devolution agreements with local and combined authorities must enable them to take greater control of climate action in their place and to move at the pace required to meet their own climate targets. Similarly, national planning policy should be reformed to enable councils to prioritise climate action within their local plan.

### Give clearer direction

National government should make a clear commitment to climate action policies which will enable local and combined authorities to engage in market shaping to develop local supply chains. To do so will signal to the private sector that the government is serious about climate action and incentivise investment in technology and skills.

### Support local co-ordination

Local authorities have the will and energy to build place-based partnerships but need financial certainty and signals from the government at Westminster that creating the governance structures for co-ordinated local climate action is a priority. Integrating partnerships with the public and private sector and community participation should be enabled through mandatory requirements for co-ordinated climate action across public sector bodies such as the NHS, housing associations and FE and HE institutions.

# INTRODUCTION

In the UK, public support for action on climate is among the highest in the world.<sup>3</sup> In 2022, 64% of people said that the government should make tackling climate change a higher priority and 41% said they would be more likely to vote for a party that said it would take strong action against the causes of climate change.<sup>4</sup>

Yet, over the past year we have seen a broad-scale roll-back by the current UK government on net zero policies. The Committee on Climate Change has articulated that the government's new delivery plan to reach net zero has given them markedly less confidence in the country's net zero trajectory.<sup>5</sup> Meanwhile, the Labour Party recently reversed their commitment to invest £28bn a year to create greener jobs, homes and energy should they win the 2024 election and the government at Holyrood has abandoned its 2030 target for cutting emissions.<sup>6</sup>

Despite this lacklustre approach, though, there is growing momentum for change and action in places across the UK. Increasingly, the much-needed innovation and creativity for a net zero future is coming not from national policy but from locally based action across the UK. More than 300 local authorities have declared a climate emergency since 2019, many with net zero targets far more ambitious than the national government's 2050 goal.<sup>7</sup>

The government's 2021 Net Zero Strategy not only recognised this momentum but also acknowledged the fact that local and combined authorities, as well as the devolved governments, are uniquely placed to deliver climate action, stating:

*“Devolved and local government play an essential role in meeting national net zero ambitions. [...] Not only does local government drive action directly, but it also plays a key role in communicating with, and inspiring action by, local businesses, communities, and civil society. [...] Local government decides how best to serve communities and is best placed to integrate activity on the ground so that action on climate change also*

<sup>3</sup> UNDP (2021) The Peoples' Climate Vote. [Link](#).

<sup>4</sup> ONS (2022) Trust in Government, UK: 2022. [Link](#). Duffy, B. Brisley, R. (2023). Climate change and political priorities. [Link](#).

<sup>5</sup> Climate Change Committee. (2023). CCC assessment of recent announcements and developments on Net Zero. [Link](#).

<sup>6</sup> Carrell S. (2024). 'Reprehensible retreat': fury as Scottish ministers scrap carbon emissions pledge. The Guardian. [Link](#).

<sup>7</sup> Local Government Association. (2023). Councils sound alarm on climate threats. [Link](#).

*delivers wider benefits – for fuel poor households, for the local economy, for the environment and biodiversity, as well as the provision of green jobs and skills.”*

Accordingly, over the past few years the government at Westminster has given greater emphasis to the role of local and combined authorities in delivering on net zero targets, with the creation of the Local Net Zero Forum and five Local Net Zero Hubs.

Beyond simply *delivering* climate action, however, local and combined authorities have the contextual intelligence needed to design it in such a way that recognises local need and ensures that the action taken does not reinforce (and, preferably, dismantles) inequalities in their place. To do this, they need to have the powers and funding to deliver climate action in a way which builds community wealth – seizing this opportunity to build more inclusive economies as well as delivering on their climate ambitions. And there is no lack of willing. In our research we uncovered examples of councils and combined authorities using climate action to boost green skills, business development and local supply chains. This is despite the inertia of national policy and the lack of sufficient funding and powers handed down to them from the centre.

Delivering the scale of climate action needed to fulfil our national ambitions is also an era-defining opportunity to build local economies which are focused on increasing the flow, circulation and ownership of wealth. If we can do both we will be building a better future, not just for the planet, but for our places too.





Our research has revealed five national policy barriers to delivering local climate action. However, the discussions we held with climate officers at local and combined authorities also identified key opportunities to help accelerate and transform the UK's approach to climate action.

### Barrier 1: funding and finance

It is impossible to consider the delivery of climate action by local authorities without acknowledging the very serious and fragile state of local government finance.

In England, local authorities have had their funding squeezed by £15bn from 2010-2020, a real terms cut of 20%.<sup>8</sup> The ongoing impacts of inflation, austerity and the legacy of the pandemic have resulted in many local governments teetering on the brink of irreparable financial ruin, with the Local Government Association warning that around 90% of councils are using dwindling financial reserves to keep themselves running.<sup>9</sup> To make matters worse, there is currently no long term solution proposed as to how to address the funding crisis in local government. This lack of resource significantly reduces local capacity and, with it, the UK's ability to innovate on climate action. Most of the councils we spoke to as part of this research said that if funding continued to decline then their climate efforts would become impossible.

However, the challenge is not simply about funding, it is also legislative. Currently there is no statutory duty for councils to deliver climate action, leaving it vulnerable to cuts as council budgets continue to be squeezed. One council we interviewed for this research, for example, had a six-person climate action team based in the environment directorate, with specialisms including adaptation, impact and community engagement delivered by two working groups comprising senior officers and a cross-party group of local members. However, due to budget constraints, between the time when they were interviewed and the writing of this paper the team has been disbanded, funding has been cut and the future of the Council's climate action is uncertain.

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<sup>8</sup> Williams, J. (2023). English councils: the budget cuts that are threatening "levelling up". [Link](#).

<sup>9</sup> LGA. (2023). Chancellor must act to protect local services from threat of spiralling costs. [Link](#).

“Why are we fighting other local authorities to do this?  
It’s such a waste of time.”

In the absence of a long-term financial settlement for local government there has been an increasing reliance upon competitive funding pots. This has been widely critiqued,<sup>10</sup> not just because of the time and capacity taken up through the application process but also because when it comes to climate action, the approach falls well short of the strategic national framework the UK so desperately needs.

The short-term nature of the competitive funding approach also has significant impacts on the local business and labour markets needed for climate action. Without long term certainty signalling to the market that there is a serious government commitment to this agenda, investment by the businesses and skills providers required to help “make the market” is severely constrained. This leaves fewer suppliers with the capacity or knowledge to deliver climate action projects in the local market and higher prices from those who can do the job.

Thus, the ideal for local and combined authorities – a cohesive climate action approach which is connected to efforts to support a thriving local business base – is actively frustrated by competition-based funding. As a result, local authorities, businesses and skills providers struggle to support the development of the supply chains, required to build the scale of climate action needed to deliver on their climate commitments.

“The current approach [...] creates an unstable market. Short delivery windows mean that you can't actually start to develop your supply chain, all you can do is go to an existing provider on an existing framework, because you haven't got time to do anything else.”

In the absence of long-term or sufficient funding from Westminster, local and combined authorities have necessarily developed innovative approaches to generating revenue funding for climate action including:

- Fees for the licencing of private-rented sector housing to support the delivery of Minimum Energy Efficiency Standards. For example, Liverpool City Council has used a licencing scheme to improve energy efficiency in the lowest standard of privately rented homes.<sup>11</sup>
- Municipal local energy generation. For example, Gateshead Council’s creation of a District Heating Network which is now being transitioned to utilising mine-water

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<sup>10</sup> For example, see the LGA’s Levelling up Inquiry called for an end to competitive funding pots and instead a long term funding settlement for local government. [Levelling Up Locally inquiry report | Local Government Association](#)

<sup>11</sup> Friends of the Earth. (2023). How landlord engagement and licensing is creating warmer homes in Liverpool. [Link](#).

heat pumps, directly heating council-owned properties and generating revenue income for the authority.<sup>12</sup>

- Workplace car parking levies to fund and encourage sustainable transport. For example, Nottingham City Council has used a workplace parking levy to limit congestion and cut emissions. It has raised millions of pounds and funds local public transport).<sup>13</sup>
- Community Municipal Investments (CMIs or Municipal Bonds). For example, Westminster Council raised £1m via a CMI to deliver local green projects such as the installation of solar PV and heat pump technology.<sup>14</sup>

Again, however, the impact of these approaches can be compromised by the lack of statutory duty for local and combined authorities to deliver climate action and the desperate state of local government finances, which leave the revenue generated liable to being redirected into statutory services. Rochdale Council, for example, is generating revenue through their 5.5MW Chamber House solar farm and are looking to develop a policy to ensure that revenue is ringfenced for further climate action – but until this comes into force, redirecting funding into these activities is not guaranteed.

### CASE STUDY: Greater Manchester Combined Authority

As well as innovative approaches to revenue raising, many local and combined authorities are thinking more creatively about how they can work with the private sector to draw in investment for climate action.

Greater Manchester Combined Authority has done considerable work partnering with organisations which can unblock financial barriers for some of the more challenging decarbonisation measures – such as domestic retrofit. The Combined Authority is working with Manchester Credit Union, which covers six of its local authorities and provides low cost finance at 5.5% interest to fund the uptake of retrofit. The Combined Authority has also partnered with Octopus Energy, the only organisation they could identify that has an in-house installation team for heat pumps and also a heat pump energy tariff. They have identified 27,000 properties across Greater Manchester which could be suitable for a heat pump without any form of retrofit and are contacting those properties to highlight the services and support Octopus could provide. The aim of this work is to grow demand for that product, leading to developing training and work opportunities for local people within the sector.

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<sup>12</sup> Gateshead Council. Gateshead District Energy Scheme. [Link](#).

<sup>13</sup> Friends of the Earth. (2023). How Nottingham used a parking levy to cut congestion and raise millions. [Link](#).

<sup>14</sup> City of Westminster. New green investment scheme launched in Westminster to support local green projects and tackle climate change. [Link](#).

## Barrier 2: centralised policy and powers

“Whatever we’re doing is because we’re really trying to do it ourselves, not because the government’s allowing us to”

The UK is the most centralised country in Western Europe,<sup>15</sup> with multiple downstream effects on our ability to take climate action at the local level:

- Control from the centre is preventing long-term planning for climate action across the different spatial levels of government. All of the local and combined authorities we interviewed for this research shared that they face challenges in meeting the differing climate targets at different levels of government, which result in differing paces and ambitions for activity.
- Local investment and economic development in relation to climate action is being hamstrung by national policy uncertainty. Businesses, skills providers and local and combined authorities, are all looking to the centre for clarity of intent. This is a particular problem around green technologies, specifically relating to heating and retrofit. This, and the failure to enable the development and rolling out of technology which is appropriate for different contexts, is thwarting attempts to act quickly.
- Inconsistency in skills planning in Westminster has severely hampered the further education sector’s ability to provide the training/retraining necessary to develop an effective skills pipeline for climate action. All the interviewees for this research shared that having access to a workforce with the skills and training required for activity such as retrofitting houses is a challenge when national government policy is failing to signal a shift to the market – and similarly, this means that supply chains are limited and local businesses are less likely to benefit from transition works being delivered at a local level.

In addition to policy uncertainty emanating from the centre, all of the interviewees for this research shared that the powers they have to deliver against their climate action targets are insufficient, particularly given the scale of change required in retrofit and reducing car use.

“Some of the big policy and market interventions that are needed are not within the current gift of the Combined Authority. While there are things we can be getting on with, we need more strategic support to accelerate the transition to net zero.”

Climate action efforts are also frustrated by policy and regulatory barriers which prevent local and combined authorities driving change at pace, with planning policy in particular highlighted as a problem. One local authority shared that, in spite of precedent in neighbouring areas which have been allowed to set their own energy efficiency standards

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<sup>15</sup> Place North West. (2019). IPPR: UK power more centralised than any other country. [Link](#).; Agbonlahor, W. (2015). UK “almost most centralised developed country” says Treasury chief. [Link](#).

for new build housing, they were not allowed to do the same, a decision based on a ministerial statement in 2015 (which was discounted for the other authorities by their planning inspectors).<sup>16</sup> As a consequence, they are unable to build net zero houses as standard.

### CASE STUDY: Lancaster Council

While uncertainty from the centre is causing challenges, many of the local and combined authorities we interviewed were making concerted efforts to develop local supply chains.

Lancaster Council has a Green Skills Group which works with manufacturers, contractors, the local college, local authority and local businesses to increase the green skills available in the area, as they recognised that to deliver climate action they need to improve the local skills base.

One particular instance which prompted the action of this group was the delivery of a Passivhaus development which was unable to be provided by local contractors as they simply did not exist. As such the work relied heavily on contractors from Scotland and a supply chain based in Europe. As a result, Lancaster and Morecambe College has changed their curriculum to boost the green skills base in the area.

### Barrier 3: local governance

The local and combined authorities interviewed for this research recognised the importance of cross-departmental working and place-based leadership to tackle interconnected challenges. However, they must contend with the often-siloed nature of their work, which is shaped by central government departmental structures as well as their own governance structures.

Effective governance and co-ordination of activity at the local level has a significant impact on how effectively climate action can be implemented. Where there was good practice in delivering climate action at pace, leaders and officers tended to have an understanding of, and responsibility to deliver, climate action.

Within this context, cross-departmental and cross-sector working was recognised as essential in delivering on climate ambitions. Instances where climate posts were held alongside the planning team or in connection with the economic development team were evidently beneficial in enabling effective delivery of climate action in a holistic manner which supports community wealth building ambitions.

Despite the unclear picture from the centre (see [Barrier 2](#)), an important first step to enabling the necessary governance, co-ordination and cross-departmental/sector working for effective climate action lies in ensuring clarity in council/corporate plans. This enables other functions, including HR and procurement, to centre the delivery of climate action in their approaches.

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<sup>16</sup> UK Parliament. (2015). Planning update: Statement made on 25 March 2015. [Link](#).

## Barrier 4: place agnostic implementation

“Our national models just don't take into account the geography and diversity of this country”

The government in Westminster as well as devolved governments in Wales, Scotland and Northern Ireland have an important role to play in developing the broad framework, ambition and measures of impact for climate action in the UK. But, logistically, one plan cannot meet the needs of each of our 51 cities, 935 towns and 6,000 villages.

The way in which centrally mandated climate interventions are currently implemented means the nuances of delivery based on geography and socio-economic context are often missed. One example presented by an interviewee echoed CLES's own findings in research with the University of Manchester, that many communities are entirely unable to use the heat pumps currently being promoted as they are unsuitable for coastal geographies and have been untested in that context.<sup>17</sup> To roll them out would be irresponsible and waste money which would be better spent on technology actually suited to the environment.

The need to understand regional and local need and nuance in relation to climate action is being increasingly recognised in processes such as Local Area Energy Plans, Local Nature Recovery Strategies, Regional Energy Strategic Planners and Ofgem's introduction of Regional Energy Strategic Planners. However, through our broader work we know that local authorities are concerned about how the powers granted to national government by the Levelling-up and Regeneration Act (2023) will impact on local government's ability to deliver climate action. This includes the power to overrule local planning decisions if they do not align with a yet-to-be announced national plan. If the ambitions of a national plan run counter to climate related aims set at the local level, the national plan will be supreme. As many local authorities have far more ambitious climate commitments than the government's 2050 aim, this may risk further hampering their ability to deliver climate action at the pace needed to meet their goals.

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<sup>17</sup>A. Nanda. (2023) Retrofitting Housing: Translating net-zero commitments into actions and impacts. [Link](#).

## CASE STUDY: Brighton and Hove Council

Geographical specificity can act as both a challenge and an opportunity for climate action.

The Brighton and Lewes Downs Biosphere has acted as a natural space in which to foster local partnership working. The partnership brings together Brighton and Hove Council, the South Downs National Park Authority and Sussex Wildlife Trust, working closely with these strong local organisations and their volunteers. Together they have:

- Turned over a golf course to a rewilding project which has been popularly received and is managed by volunteers.
- Developed an aquifer project led by SDNPA, which is protecting groundwater sources.
- Developed [City of Meadows](#).
- Created the Brighton and Hove food partnership, which has driven the development of community composting and resulted in Brighton being awarded a gold food cities award.

Spatial challenges aren't just playing out across different local authorities, but also within communities. CLES's broader work on delivering local climate action has shown that, without a spatially just approach to financing climate action, the communities which have the most to gain will miss out.<sup>18</sup> This is particularly the case in localities which have high levels of deprivation, as much climate action will necessarily be driven by local institutions due to a lack of disposable income in communities to finance their own transition works (e.g. housing retrofit and green transport options).

The sheer scale of the finance required to deliver climate action in our places is being demonstrated by processes such as Local Area Energy Planning. Oldham, for example, alone requires £5.6bn in capital investment by 2038 to decarbonise its energy system. Relying solely on householders' varying ability to take up piecemeal opportunities to decarbonise using government schemes, loans or savings will not deliver the climate action that we need.

## Barrier 5: the (necessary) challenges of partnership

To deliver on their climate ambitions, the local and combined authorities interviewed for this research recognised that they must partner with other local public institutions, businesses, community and voluntary organisations as well as working directly with communities.

Building coherent local partnerships is a powerful and important pre-requisite to impactful climate action<sup>19</sup> but is often hamstrung by the short-term nature of much of the funding available (see [Barrier 1](#)), but some innovative approaches with a focus on long-term investment are beginning to emerge (see case study below).

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<sup>18</sup> See, for example: CLES. (2022). A roadmap to decarbonisation. [Link](#); CLES and Carbon Co-op. (2021). A community wealth building energy transition. [Link](#); Energy Futures Toolkit. [Link](#).

<sup>19</sup> Ibid.

One of the key challenges faced by many of the local and combined authorities we spoke to was how to meaningfully and effectively engage with communities around climate action. The reality of the transition we need to undertake risks citizens being subjected to potentially large-scale changes to their built environment and required to undertake lifestyle changes, without prior knowledge, involvement or consent.

Local and combined authorities are increasingly recognising the need to work with their communities to shape climate action which meets their needs, as well as building buy-in for action which runs the risk of receiving significant push-back from local people. In practice, this has manifested through the establishment of a number of citizens assemblies and juries at different levels of government, as well as more intentional activity at the local level which goes beyond standard engagement practices.

Many of the interviewees for this research had taken approaches which sought to bring in community perspectives to shape climate action, but developing longer-term embedded approaches to community participation in decision-making and climate solutions was challenging – not least due to a lack of resource and the need to act quickly.

### CASE STUDY: Oldham Green New Deal Partnership

Collaboration is already being advanced in many spheres due to the need for co-ordinated climate action. Oldham Council is seeking to drive collaborative work to deliver action that both builds community wealth and is shaped by residents.

Oldham's Local Area Energy Plan was delivered in 2021 and details the measures and associated costs required to decarbonise Oldham's energy system. Since 2021, Oldham has hosted several projects which have sought to deepen community involvement in shaping the energy agenda – one of which was Oldham Energy Futures. This project developed a methodology for Community-Led Energy Planning which built confidence and knowledge within two lower income communities in Oldham so that they could engage with discussions around energy transition and create neighbourhood energy plans for their places. The methodology developed for Community-Led Energy Planning was designed to be reproduced in other places and the team in Oldham are now working to develop its replicability further.

Following this project, Oldham Council worked with Carbon Coop and CLES to develop a plan for an Oldham Green New Deal Partnership. This Partnership will connect a long-term commercial joint venture which can lever in finance for infrastructure projects with a governance structure which interrogates how these projects are being delivered. Its goal will be to ensure that investment delivers for people and businesses in Oldham, based on community wealth building principles. The Partnership currently consists of the Council, local businesses, the Distribution Network Operator and local anchor institutions, including Oldham College, and will integrate community representation in the future. The partnership will also seek to roll out the Community-Led Energy Planning methodology to different communities in Oldham and explore how the wants and needs of people in Oldham can be met through the commercial joint venture and the Partnership.





Having identified the barriers, the recommendations below outline the changes needed from the government at Westminster to enable local and combined authorities to deliver climate action at the scale and pace required.

More than that, however, they also set out a roadmap for setting our aspirations higher – to seize the opportunity presented by the scale of climate action required to build community wealth, so that the future we create delivers for our places and our planet.

### Action 1: enact a statutory duty

To effectively deliver a just transition, local and combined authorities must have a properly funded statutory duty to address climate change and place-based funding based on area need, as part of an integrated national framework, to enable this activity.

Alongside sufficient funding, the statutory duty should mandate meaningful participation with local communities. Community engagement is not merely a benevolent undertaking when it comes to planning climate action, it is an essential component of ensuring it is just. Residents are always best placed to understand local needs, meaning that investment in participation will identify the most effective actions and result in savings in the long term.

To assist in this process, we recommend the production of local climate action plans which are genuinely co-produced with communities. These could be conducted within the space of energy transition, using a robust social process, such as Community-Led Energy Planning.<sup>20</sup> To begin this process we recommend a pilot project/s at an appropriate geographical scale (either combined or local authority level), followed by a national roll out of a refined approach.

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<sup>20</sup> CLES. Oldham Energy Futures. [Link](#); CLES. (2022). A roadmap to decarbonisation. [Link](#).

## Action 2: provide long term funding

Appropriate funding is one of the critical components to unlocking the potential of local climate action and, therefore, an appropriate financial settlement for local and combined authorities will be critical to its successful delivery.

Competition-style funding pots should be replaced with long term, secure funding arrangements. As research from the UKRI shows, place-based funding for net zero delivery based on characteristics and need requires significantly less investment than nationwide schemes, and could result in nearly double the energy savings for consumers.<sup>21</sup>

Many local revenue raising approaches are new to local governments, using unprecedented mechanisms that are time consuming to explore. The UK government should interrogate the existing mechanisms and networks enabling and sharing good practice in this space and explore how they could further support local government to use revenue raising approaches effectively to enable climate action and build community wealth.

Climate actions which do not factor in the needs of communities subject to systemic inequalities will only deepen them. Therefore, the roll out of funding and new finance approaches must be co-ordinated at a local and regional level to ensure that they benefit the communities that have the most to gain. Taking an intentional approach to driving finance and action into those spaces will be critical in delivering a transition which builds community wealth for the people who need it most.

Covid-19 demonstrated Westminster's ability to work with local governments to target action specific to community need (e.g. rolling out vaccination centres based on health inequalities). Lessons should be taken from this practice and applied to climate action, with a similar level of urgency.

## Action 3: use devo

Westminster must ensure that any future devolution agreements with local and combined authorities enable them to take greater control of climate action in their place. Significant work already exists defining the powers available to local authorities to deliver effective climate action,<sup>22</sup> and the Greater Manchester and West Midlands Combined Authorities are already acting as trailblazers pushing for inclusive growth, environmental sustainability and enhanced public services. Both are piloting the devolution of net zero funding and natural environment financing – providing a blueprint (if successful) for other combined authorities to receive similar devolved powers.

These powers must be, as a minimum, aligned with national legally binding climate targets and budgets, but would ideally enable local and combined authorities to

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<sup>21</sup> UKRI. (2022). Accelerating Net Zero Delivery. [Link](#).

<sup>22</sup> UK100. (2023). Powers in Place: The handbook of local authority Net Zero powers. [Link](#).

move at the pace required to meet their own climate targets. Powers around skills and employment are of particular importance to enabling the development of local supply chains to deliver climate action.

Planning powers can create barriers to climate action at a local level. National planning policy should be reformed to enable councils to prioritise climate action within their local plan, using it to outline how the challenges of the climate crisis manifest in their place and to build a strong economic argument for action. They can also use supplementary planning documents to prioritise climate action and provide further guidance and direction to developers.

## Action 4: give clearer direction

National government should make a clear commitment to policies which will enable local and regional governments to engage in market shaping to develop local supply chains. To do so will signal to the private sector that the government is serious about climate action and incentivise investment in technology and skills. This is needed to deliver the greatest benefits from investment in climate action for local people and businesses, particularly in the spheres of heat, power and transport. These are the largest emissions areas local and combined authorities are contending with, and areas where significant market development could also build community wealth.

A UK green industrial strategy is required to enable the coordination of decarbonisation activity across sectors, with the appropriate regulation and powers to enforce its delivery.<sup>23</sup> In a departure from previous industrial strategies and plans for growth, the UK needs a set of co-ordinated industrial policies to enable the just transition.<sup>24</sup> For example, rather than simply prioritising the importance of “high growth” and “frontier sectors”, with their narrow geographical focus,<sup>25</sup> the emphasis should be on developing green skills, infrastructure and innovation in key clean technologies such as offshore wind, carbon capture usage and storage<sup>26</sup> and tidal stream.<sup>27</sup> Shortening supply chains across the economy should be prioritised, as well as harnessing the UK’s comparative advantage in services such as green financing. This directive should, in turn, provide the framing for all local and combined authority economic planning.

## Action 5: support local co-ordination

Local authorities have the will and energy to build place-based partnerships but need financial certainty and signals from the government at Westminster that creating the governance structures for co-ordinated local climate action is a

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<sup>23</sup> J Leibowitz (2020). A Green Recovery for Local Economies. [Link](#).

<sup>24</sup> S Alvis et al. (2023). Making Markets in Practice. IPPR. [Link](#).

<sup>25</sup> I Stanley (2020). Love’s Labours Found: Industrial strategy for social care and the everyday economy. Nesta. [Read](#).

<sup>26</sup> P Andres et al. (2021). Seizing sustainable growth opportunities from carbon capture, usage and storage in the UK. Centre for Economic Performance. [Link](#).

<sup>27</sup> E Serin (2023). Seizing sustainable growth opportunities from tidal stream energy in the UK. Centre for Climate Change Economics and Policy. [Link](#).

priority. Integrating partnerships with the public and private sector and community participation should be enabled through mandatory requirements for co-ordinated climate action across public sector bodies such as the NHS, housing associations and FE and HE institutions and inspiration can be taken from [Oldham's Green New Deal Partnership](#) or the growing movement of [anchor institution networks](#) across the UK.

To make the most of investment into climate action, local authorities should work closely with further education providers to create local skills strategies for over-16s and combined authorities should continue to push this agenda using their powers relating to education and skills. A good example of this approach can be found in the Liverpool City Region, where the Combined Authority is providing [support for long-term labour market schemes, training programmes and reskilling initiatives](#) including in the transition to a low-carbon economy.

Community wealth building approaches should be taken to maximise the impact of green investment within places, taking inspiration from skills and employment initiatives such as [I Can](#) to develop systems approaches to support local people who may be struggling to enter the labour market, or who work in high carbon jobs which will need to be phased out, into jobs directly delivering climate action with anchor institutions.

Alongside the development of partnership and skills pipelines, sufficient support should be made available to local businesses which could deliver the goods and services required for local climate action. With the implementation of the Procurement Act (2023) due in the autumn of this year, specific guidance should be created on how to use public spending to deliver local climate action. This could be particularly powerful when used by housing associations who are often able to access funding for retrofit projects.



# CONCLUSION

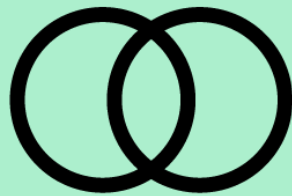
We stand on a precipice, one that is simultaneously fraught with danger and alive with possibility. That urgent action is needed on climate change is beyond doubt. Nor is there any question that our places are best situated to deliver the bulk of this action. But this research has demonstrated that we are missing two crucial pieces of the puzzle.

Local and combined authorities do not lack willing to take action on the climate. What they do lack is the funding, powers, direction from the centre or resources to co-ordinate with other sectors and citizens to deliver on that will. In many ways this is not news. Anyone watching the dominoes fall in local government in recent years will be unsurprised to learn that, even in this most existential of areas, they are neglected by Westminster.

The piece of the puzzle that fewer people give credence to, however, is a recognition of the opportunity that climate action presents for building inclusive economies. Currently, climate action being delivered at a local level is not synonymous with action that builds community wealth. Where local and combined authorities have seized this opportunity, their efforts are hamstrung by the national policy context and broader culture around delivering climate action in relation to who should own and benefit from the transition.

If the government at Westminster is serious about delivering change which creates a better future, it must seek to remove policy barriers which block the delivery of climate projects and infrastructure which support the recirculation of wealth within our localities, as well as creating the fertile ground for meaningful climate action at the local level.

Favourable policy at all levels and meaningful practice which drives benefits back into our localities will be the key to a transition that is just, delivering for our places and our planet.



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