Rural resilience:

Challenges and opportunities of the green transition

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Foreword

This report draws on the dedication and innovation of County Council Network (CCN) members, representing 38 primarily rural county and large unitary local authorities across England. It highlights both the challenges and opportunities presented to rural areas in the face of the green transition and showcases leadership and innovation.

By green transition, we mean the generational shift to a clean energy, low carbon, regenerative economy. While rural areas have often been overlooked in national strategies, they are uniquely placed to drive the green transition by leveraging natural assets, supporting new industries, and building stronger, more resilient local economies. This will deliver direct benefit to rural area from the inward investment and economic uplift of the green transition. Indeed, the future of rural England depends on the ability to deliver real economic and social value, in harmony with Nature, whilst adapting to the realities of a changing climate.

It's important to recognise the ever-changing context for local government. Fiscal pressures, changing political sentiment, public support, and the need for tangible benefits mean that it's more important than ever to ensure that the sustainability agenda is embedded within the broader context of job creation, economic resilience, and community wellbeing.

We see this report as a platform for engagement for councils, communities, and partners to continue to shape current and future actions together. The insights and case studies within these pages are intended to spark dialogue, inspire collaboration, and support locally-driven ambition. By focusing on initiatives that deliver clear economic and social benefits, we can build even broader consensus and momentum for climate action.

Recent examples have shown that the most compelling progress often comes when communities set their own pace and ambition for change. Our aim is to support local authorities in making the business case for sustainability, prioritising those actions that deliver for people, places, and the planet.

With shared purpose and pragmatic leadership, we can ensure a just and fair transition to a low-carbon future and deliver the benefits of that transition across rural England.

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Executive summary

The UK's ambition to achieve net zero by 2050 remains a defining national goal. Yet, as the landscape for local government continues to evolve, the journey to net zero must be rooted in the broader context of economic growth, job creation, and community wellbeing – especially for rural areas, where the challenges and opportunities are unique.

Rural communities, represented by the County Councils Network (CCN), are central to the UK's decarbonisation journey. These areas have often faced an uneven playing field, with less investment and support compared to urban centres. Sectors such as agriculture and transport present complex challenges, but also significant opportunities for innovation and leadership.

A single, uniform approach will not deliver the outcomes needed. Local authorities require the flexibility, resources, and partnerships to develop solutions that reflect their own circumstances and priorities. Progress will come from locally-driven ambition – where communities set their own pace and priorities, and where climate action is closely linked to tangible economic and social benefits.

The business case for net zero is strongest when it is connected to outcomes that matter to people's everyday lives. New jobs, economic resilience, improved public health, and stronger communities are all within reach when climate initiatives are designed with these goals in mind. By focusing on projects that deliver clear, measurable benefits, councils can build consensus and momentum for broader climate action.

This report is intended as a platform for engagement – a starting point for dialogue, collaboration, and shared learning. By drawing on the experiences and insights of CCN members, we hope to inspire councils, communities, and partners to shape a pragmatic and ambitious path forward.

Recommendations

The green transition is a pivotal opportunity to address climate change and longstanding inequalities, especially between urban and rural areas. By focusing investment on sustainable development, we can ensure that the benefits of a low-carbon economy are shared by all, and that rural communities are empowered to thrive in the shift to a greener future.

Climate adaptation is a priority. Local authorities need to provide resilience in the face of increasingly common extreme weather events. Embedding adaptation into planning and delivery means that communities can prepare for future risks while advancing the broader sustainability agenda.

The report sets out practical actions for CCN members:

01. **Strategy/plan:** Optimise green transition strategies and plans

Work towards a standardised approach to decarbonisation planning and reporting, making it easier to compare progress, allocate resources, and align with national and regional priorities.

02. **Business case:** Ground climate policies in a strong business case.

Policies should clearly demonstrate economic and social benefits to secure citizen support and build momentum for climate action. This includes linking decarbonisation and adaptation measures to tangible outcomes such as job creation, economic resilience, and community wellbeing.

03. **Innovation:** Leverage innovation, partnerships, and funding models.

Adopt and adapt successful initiatives from across CCN members and beyond — such as new funding mechanisms, biodiversity credits, and strategic partnerships with the private sector — to accelerate progress and attract investment.

04. **Collaboration:** Promote collaboration and community engagement.

Continue to build platforms for sharing best practice, influencing decision-making, and leveraging collective buying power. Engage communities as active partners in the transition, ensuring that local voices shape the green transition journey.

To support CCN members successfully address the challenges they face whilst applying a sustainability lens to decision making, there is an urgent need for a paradigm shift in how central government engages with and supports local authorities.

Executive summary

Our recommendations for central government are:

01. **Coherence:** Provide clear, joined-up strategy and policy direction.

Central government should ensure greater clarity and alignment between departments (e.g., DESNZ, DEFRA, MHCLG, DfT and DfE), working in genuine partnership with rural local authorities to co-design policy and avoid fragmented or siloed approaches to net zero and adaptation.

02. **Support:** Show strong leadership while supporting local ambition.

National leadership is vital but this must be balanced with local autonomy, enabling rural local authorities to set the pace and priorities for climate action, ensuring that net zero and adaptation are delivered alongside other key agendas such as devolution and local government reform.

03. **Empower:** Empower delivery at the local level.

As the landscape of rural local government is changing through both HMG's "devolution revolution" and Local Government Reorganisation (LGR), there is an opportunity to work more closely with local leaders to support their delivery of the green transition.

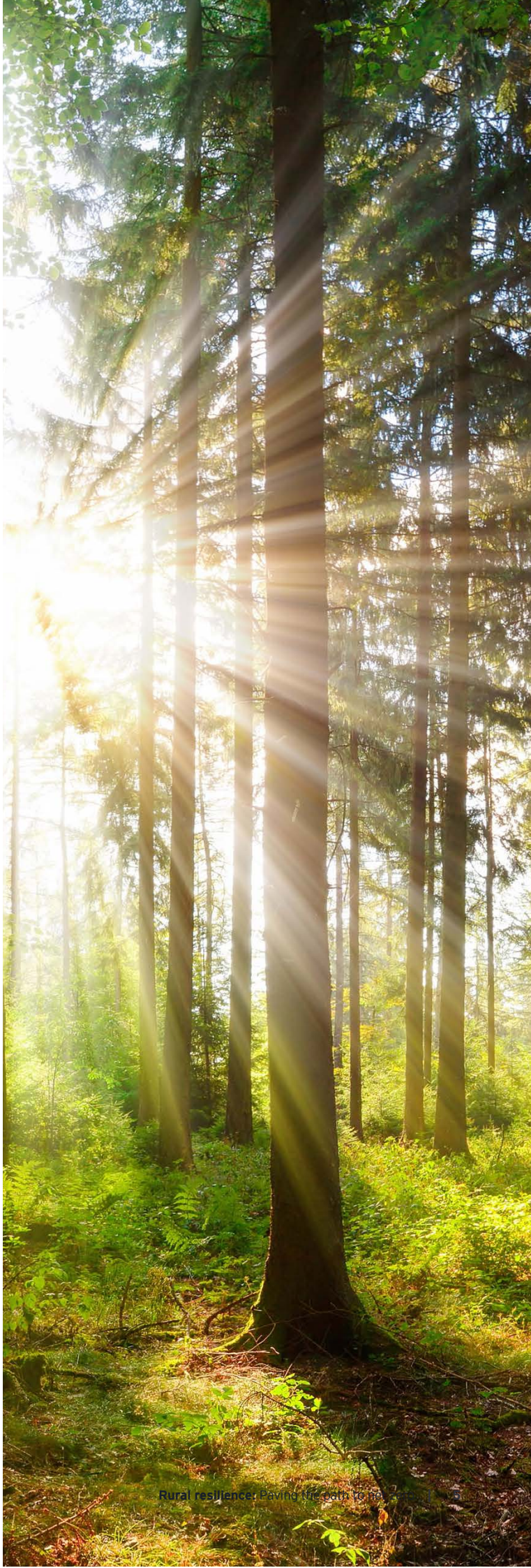
04. **Funding:** Reform funding to enable long-term, needs-based investment.

Move away from short-term, competitive grants towards predictable, flexible funding that recognises the higher costs and unique challenges faced by rural areas and allows councils to plan and deliver effectively.

05. **Unlock scale: F**oster collaboration and shared learning.

Strengthen frameworks for collaboration between central and local government, and across local authorities, to share best practice, pool resources, and co-design complimentary and tailored solutions that work for urban and rural areas.

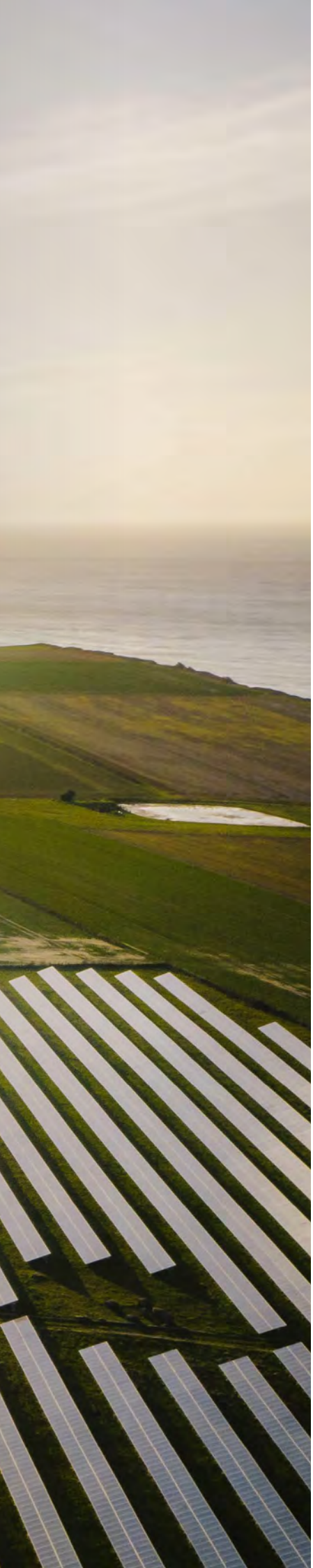
The green transition is not just an environmental imperative driven by the changing climate. It is an opportunity to build stronger, fairer, and more resilient communities across the country. By focusing on what works for people and places, and by supporting local leadership, we can accelerate progress and ensure that every region has the chance to thrive in a low-carbon future.



1

Context

Overview of current state and ambition



1.1 Current state and ambition

Climate change remains a critical challenge; however, the transition must be framed and delivered as an engine of local prosperity, prioritising jobs, productivity, public health and community wellbeing alongside emissions reduction. The World Economic Forum's 'Global Risk Report 2025' identified extreme weather events as the a top risk most likely to present a material crisis on a global scale, second only to state based armed conflict. It reports that many economies are largely unprepared for the impacts of climate change.[1] The UK faces a critical moment: urgent action is needed, but it will only sustain public support if it demonstrably improves local economies and daily life, with clear business cases for each policy and project. Government policies have not always delivered intended outcomes in rural areas. Government made a commitment in May 2025 that all policy decision-making should be 'rural proofed'. This means policies need to be assessed so that intended policy outcomes are delivered in rural areas. Rural proofing is highly relevant to deliver outcomes for decarbonisation, climate mitigation, adaptation and nature recovery. Geo-tailored action is needed to ensure proportionate investment, accelerate carbon emission reductions and meet targets in rural areas.

The UK was the first nation to set a legally binding carbon budget to achieve net zero emissions by 2050. These targets align with the Paris Climate Agreement's Nationally Determined Contributions (NDCs), aiming for a 68% reduction in emissions by 2030. The Seventh Carbon Budget, published in February 2025, committed to an 87% emission reduction by 2040.[2] This target surpasses previous goals and is crucial in the UK's decarbonisation plan. Local authorities continue to be vital delivery partners in this effort.

The estimated costs of achieving net zero by 2050 vary, but the Office for Budget Responsibility (OBR) estimates this at £116bn over 25 years (some £204bn lower than previously expected and equivalent to £70/per person annually),[3] The transition presents an opportunity, given that the OBR forecasts expected economic damage of unmitigated climate change as even more severe than previously thought. In summary, the costs of cutting emissions is significantly

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smaller that the economic damage of failing to act (not to mention the benefits of avoided human cost of climate change impacts).

The UK's carbon budgets now span from 2008 to 2042, with the Seventh Carbon Budget[4] published in February 2025 covering the period 2038–2042. The UK successfully met its first three carbon budgets, achieving a 50% reduction in greenhouse gas emissions compared to 1990 levels. These early gains were largely driven by rapid decarbonisation in the power sector, particularly through the phase-out of coal-fired electricity generation. The Fourth and Fifth Carbon Budgets—cover 2023–2027 and 2028–2032 respectively. The Sixth Carbon Budget (2033–2037), set in line with net zero ambitions, targets a 78% reduction in emissions by 2035, while the Seventh Budget raises the bar further to an 87% reduction by 2040. Despite these ambitious targets, the pace of emissions reduction must accelerate significantly across all sectors—especially in transport, buildings, and agriculture—to meet statutory obligations and avoid costly delays. The government's 2025 Carbon Budget and Growth Delivery Plan outlines a renewed strategy to unlock the benefits of the clean energy economy, but acknowledges that substantial gaps remain in delivery confidence across multiple sectors.

The UK must achieve significant decarbonisation across all sectors to meet upcoming deadlines. This necessitates an urgent overhaul of energy systems, industrial processes, transportation, agriculture, land use, and domestic heating.[5] Decarbonising the economy, thus reducing CO_2 emissions in the atmosphere, provides the opportunity for a wider green transition. The concept of a green transition involves adapting and restoring the natural environment, mitigating further climate disruption and upheaval, whilst fostering growth through the construction of new infrastructure, job creation, and investment in renewable technology.

One of Labour's central missions in its manifesto prior to the 2024 General Election was to make Britain a 'clean energy superpower' and aimed to achieve this by setting up Great British Energy to invest in renewable energy and cut bills, create new jobs, deliver warmer homes and clean up rivers from water pollution. Following the General Election, the 'Clean Power 2030' initiative was launched in December 2024 setting out proposals that will pave the way for more homegrown, clean energy projects in the UK, which came alongside proposals to give developers more certainty when applying to deliver clean energy projects.

The government needs the public sector to play a key role in the green transition. With aging infrastructure, buildings and transport key emitters of greenhouse gases, local councils have significant influence over geographical emissions. Local councils, over 300 of which have declared climate emergencies,[6] have set ambitious climate goals, but vary in the extent to which they have started to act on the crisis.[7] With quick wins made, and long-term goals set, now is the time for Government to work with councils

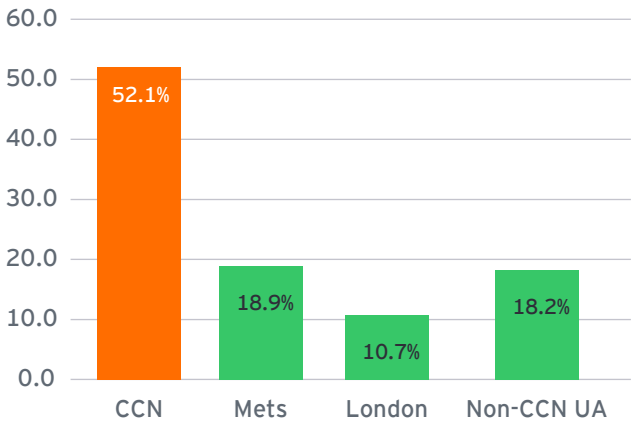
to build a roadmap and together act on the most challenging areas of decarbonisation. We also know that there are concerns from communities about the impact that clean energy projects will have on rural landscapes, and local government has a vital role to work with communities to deliver the green and clean energy in partnership with both national government and communities.

The required up-front investment is currently competing with short-term priorities, such as maintaining statutory public services, especially during a period of shrinking and stretched council budgets alongside high levels of inflation. In the context of this current financial situation, councils cannot afford to make the investment but, given the need for action, equally cannot afford not to act. Climate change is an imminent crisis with current visible impacts and should be addressed with the same urgency as other pressing challenges. Climate action must be prioritised where it clearly improves people's lives; immediate action is necessary when projects deliver unequivocal economic and social benefits alongside emissions reductions.

1.2 CCN members in the UK context

The County Councils Network (CCN) in England represents county councils and 17 larger rural unitary councils, with 26 million residents, and covering 86% of England's land mass. Over the period from 2012-2022, county and CCN unitary authority areas accounted for a disproportionate share of England's CO_2 equivalent emissions – 52.1% of all emissions in these areas – higher than their population share of 46% (Figure 1), and significantly higher than the next highest scoring group – Metropolitan Boroughs at 18.9%. Therefore, unlocking the decarbonisation potential of county and rural unitary authorities is fundamental to further reducing overall UK emissions and meeting national targets.

Figure 1 – Total share of national CO_2 emissions across Local Authority Types in 2022*



Source: GOV.UK, 2024

* For the purposes of the data analysis, Leicestershire County Council has been included in CCN category of councils.

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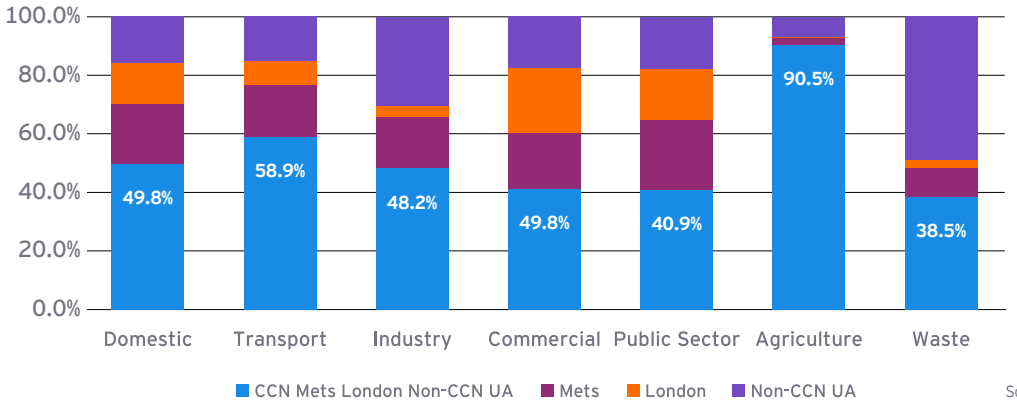
CCN members in 2022 had a high national share of emissions related to agriculture and transport at 90.5% and 58.9% respectively. Furthermore, they have a greater share proportional to their population of 46%, for industry and domestic emissions at 49.8% and 48.2% respectively (Figure 2). Rural areas have specific challenges related to their sparsity which differ from urban areas such as a greater reliance on cars, less public transport options, and higher expenses to retrofit aging buildings which all impact the largest emitter sectors.[8]

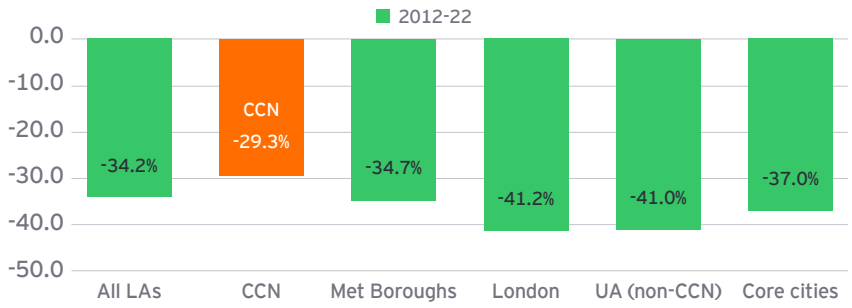
Figure 2 – National share of total CO_2 emissions across English local authority types and sectors in 2022



Source: GOV.UK, 2024

As a result, CCN members have seen a lower reduction in emissions over the past 10 years than other local authority types (Figure 3). Funding and policy decisions have not been sufficient to target the key challenges in CCN areas, or, as we can see from the previous figures, those that can have the greatest impact in further reducing overall emissions.

Figure 3 – Change in total CO_2 emissions across English local authority types 2012 to 2022



Source: GOV.UK, 2024

Further, the significant role that CCN members play in agricultural decarbonisation cannot be ignored, as a failure to get this right poses risks to rural communities, the UK economy, and overall food security. These areas are disproportionately exposed to climate risks, such as coastal erosion and flooding, depending on their location, which impact agriculture more than other areas. For example, a reduction in arable land due to drier conditions could halve agriculture's contribution to UK GDP.[9,10] Therefore, analysis across a range of sectors emphasises the important role CCN members need to play in the UK's decarbonisation journey and the significant opportunity that exists to reduce emissions with the right national policy, direction, support and funding.

The English Devolution White Paper, published in December 2024, proposes a greater focus on net zero activity as part of the devolution framework. This is welcome, but additional funding and powers will be limited to those strategic authorities that have adopted the mayoral form of governance. Funding for warmer homes and greener buildings will form part of an Integrated Settlement for 2025/26, bringing together numerous government grants allowing more flexibility over how these are spent. Funding in scope for net zero through integrated settlements are the Warm Homes: Local Grant, the Warm Homes: Social Housing Fund, and the Public Sector Decarbonisation Scheme. The Government proposes that they will extend this approach to 'Established Mayoral Strategic Authorities' (defined as being operational for 18 months) over the course of this Parliament. This inevitably excludes the vast majority of CCN members and, given the lead-in times to adopt and elect a Mayor, and then become designated as an 'established' mayoral strategic authority, is likely to be a number of years down the line. The end result is that CCN members are currently unable to play as big a role in the net zero agenda as they could and should.

Yet CCN members could play a crucial role in the green transition in partnership with the government, evident from emissions data and the scale of their local economies. They handle £37 billion in local government service expenditure and contribute £760 billion (39%) of England's economic output.[11] National policy must evolve to effectively account for rural requirements, giving full consideration to how place-based policy and devolution across a range of areas including transport and infrastructure decisions, can be tailored for rural and urban areas, recognising the distinct challenges councils and communities in rural areas face.

To ensure that policy is as effective as possible, Government should look to work with local government to co-design and define the roles and responsibilities for local government to enable them to meet these challenges.

However, addressing climate change amid a projected funding gap over the next five years will be challenging.[12] No additional funds are planned for net zero, which rural areas especially need due to their slower emission reductions and reduced economies of scale. The Local Government Finance Settlement for 2025/26 removed the Rural Services Delivery Grant

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which put further pressure on Local Authorities ability to meet their net zero plans. Should this show the direction of travel for the current fair funding review which will set funding for councils beyond 2026 there may be a disproportionate impact on CCN members.[13]

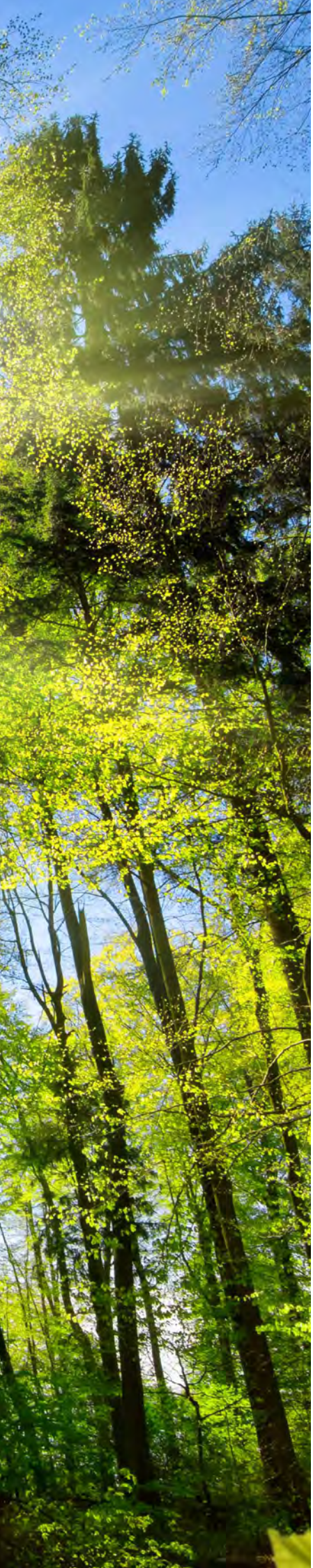
The need to accelerate reductions is crucial; the most effective way is to prioritise projects that concurrently deliver additional and obvious local value (jobs, cost savings, and resilience). Government should empower rural authorities to select and sequence interventions based on economic and social impact as well as carbon.

There is a legacy of recent net zero policy being urban focussed where economies of scale can be realised and deliver more efficient outcomes. To effectively support this journey, the government must move beyond an urban-focused model, empowering local governments, particularly in rural areas, to make meaningful contributions to the net zero transition. Addressing a projected funding gap and ensuring adequate resources for climate initiatives while fulfilling statutory duties remains a challenge.

2

The case for change

Opportunities



2.1 Introduction – the green transition

The green transition is, above all, an opportunity to deliver economic growth, job creation, and community wellbeing – especially for rural areas – while also meeting climate goals. Utilising the power of a net zero economy will bring new opportunities to approach and promote economic growth and social development, by overhauling existing infrastructure, aligning industrial practices and societal norms with environmental goals, creating a more equitable society and sustainable environmental outcomes.

As we have outlined above, we know that there is increasing concern from communities that actions to achieve net zero, particularly in relation to clean energy, may not benefit local communities with decisions being progressed despite local opposition. To address this, local action needs to be co-ordinated, connecting and engage local communities with decisions made in partnership with them. As facilitators and conveners in their areas, CCN members are ideally placed to lead these engagement efforts.

Given the acceleration in interim emissions reductions targets and the investment required to achieve this, and with the current lower levels in emissions reductions seen from CCN members over the past 10 years (compared to other local authority types), there is an immense opportunity for CCN members to be at the forefront of this transition and to unlock its associated benefits. To do this, a whole systems approach is required.

The case for change: **Opportunities**

A whole-systems approach

A whole-systems approach should be used to design net zero strategies that maximise economic and social value for communities, ensuring that climate action is always linked to tangible local benefits such as jobs, resilience, and improved quality of life. It is useful to look at a system on different levels, including international, national, regional and local, and how each lower level contributes as a part of the next level up. To achieve the emissions reductions required on a national level, action needs to be routed in the challenges and opportunities in each area.

CCN members are taking this place-based approach within their areas, recognising the unique needs, strengths and challenges within their communities and economies. Sustainability should be an integrated consideration as part of local council growth plans where tailored solutions efficiently target areas with the greatest need or potential for impact. Within local councils, leaders are setting goals to drive both growth and sustainability, in what is known as green growth. Both can be synergistic and two sides of the same coin, rather than conflicting ideas. By considering how growth and net zero are connected, and the knock-on effect that decisions can have on outcomes, and relating it to their broader goals, CCN members can potentially more effectively address climate change and growth goals with a more intentional and wider positive impact.

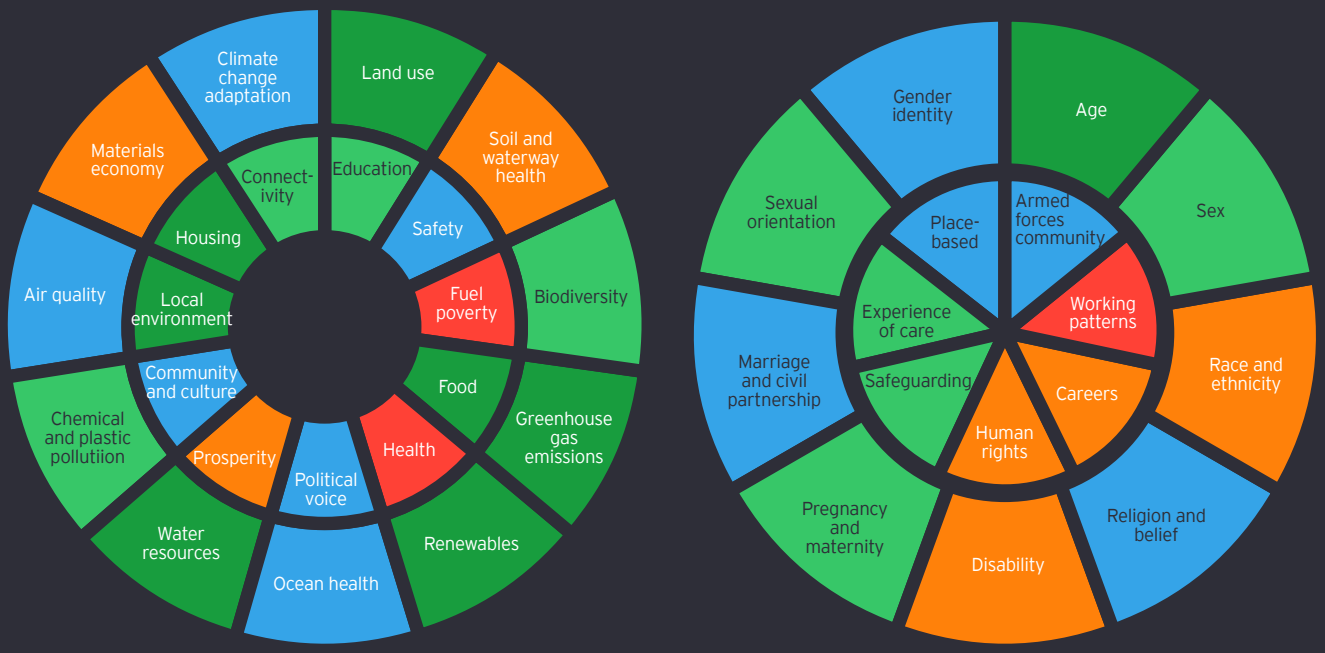
The role of the CCN members in adopting a whole-systems approach

Net zero presents an opportunity for CCN members to enhance their existing strategy, planning and decision-making to not only drive towards net zero targets for councils themselves but to offer more holistic solutions that deliver a greater and more meaningful impact within their communities. Cornwall Council is an example of a whole-systems approach put into practice.

Case study: Cornwall Council

Cornwall Council has developed a decision-making wheel (Figure 3) to assess the whole-systems environmental and societal impacts of their decisions.[14] This digital assessment, based on specific questions, promotes consideration of impacts across various areas, breaking down departmental silos and fostering collaborative thinking through a place-based lens. The wheel looks across two dimensions Environment and Social (below left) and Equality and Inclusion (below right).

Figure 4 – Cornwall Council: Cornwall development and decision wheel



Source: Cornwall County Council, 2021

Key:

- Long lasting or severe negative impact
- Short term or limited negative impact
- No or neutral impact
- Short term or limited positive impact
- Long lasting or extensive positive impact

The tool's analysis is included in most council decisions at the assessment stage and is published as a standalone report, changing behaviour and ways of working. A culture of continuous improvement has been embedded, with updates to existing governance and processes. The council provides complete transparency on what informs decisions, building trust with communities and businesses. For instance, the council's updated delivery plan up to 2026, incorporates a whole-system approach considering environmental, social, equality, and inclusion impacts. The impact of a decision is presented using a qualitative traffic light system, with key data and mitigations supported by relevant data points for more informed and effective decision-making.

Members of the council make decisions with consideration to the triple bottom line (social, environmental and economic factors), where environmental and economic growth are both considered as part of decisions related to overall goals. The model is put at the centre of discussions and important to council action, resulting in less debate on the impact of decisions and ultimately more impact on achieving net zero.

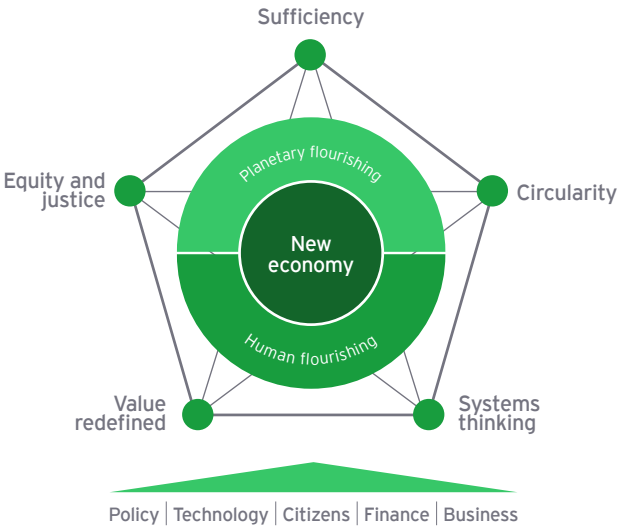
Similar models could be adopted across the country to help break down silos, increase awareness of the impact of decisions on a range of factors including climate change, and ensure that decisions enhance both environmental and social outcomes.

The case for change: **Opportunities**

A new economy

Many frameworks for tackling net zero have emerged that build on the concept of a whole system approach, which recognises the interconnectedness of various economic, social and environmental systems. EY's 'New Economy Model' (Figure 4) proposes a transformative shift towards "a regenerative economy that has human and planetary flourishing as its inextricably linked goals".[15] This model emphasises the need to move beyond traditional economic metrics that focus solely on growth and profit. Instead, it promotes the holistic view that integrates the wellbeing of people and the health of the planet into economic decision-making and considers the five concepts of circularity, sufficiency, value redefined, systems thinking and equity and justice.

Figure 5 – A new economy model



Source: EYGM Limited, 2024

Circularity refers to decoupling economic growth from resource consumption meaning that we waste fewer materials and cause less damage to the environment. Design of products and services would focus more on durability and sufficiency.

Sufficiency is to assess consumption based on the need to live within the limits of our ecosystem. Much of climate change is caused by consumption and demand leading to increased CO_2 emissions impacted by behaviour, social norms and values.

Value redefined is how and what we measure as value within the economy and how we achieve it. Growth and increased standards of living are frequently measured on income and wealth rather than other metrics such as happiness and health, not considering how decisions to increase growth such as burning fossil fuels, can lead to environmental impacts that inadvertently impact health. CCN members are responsible for 60% of transport and 90% of agriculture emissions in England, higher than their population share of 46%. Cutting emissions in these sectors could enhance health, stimulate growth, given economies are reliant on these sectors more than other areas, and improve living standards across a number of metrics.

Systems thinking seeks to make sense of complexity by retaining a focus on the whole and the relationships between the parts. This encourages decisions to be made from the perspective of place with consideration to the wider impacts, providing whole-system solutions instead of siloed compartments promoting greater equality within society.

Equity and justice can be achieved by reducing disparities within and across regions and countries, in a way which economic growth does not occur at the expense of the natural environment.

There are numerous benefits which can be unlocked related to a new economy model. For example, transitioning to a circular economy could lead to seven to eight million new jobs created by 2030,[16] reduce global CO_2 emissions by 16%[17],[18] and could halt and even partially reverse biodiversity loss by 2035.[19]

The forces of policy, technology, citizens, finance and business all interact with the five concepts of the model. Social factors such as behaviour change, collaboration and a sense of a collective responsibility are all required for a more sustainable future to emerge. A green transition can provide the opportunity to move to a new economy model, and not simply seek to reduce CO_2 emissions.

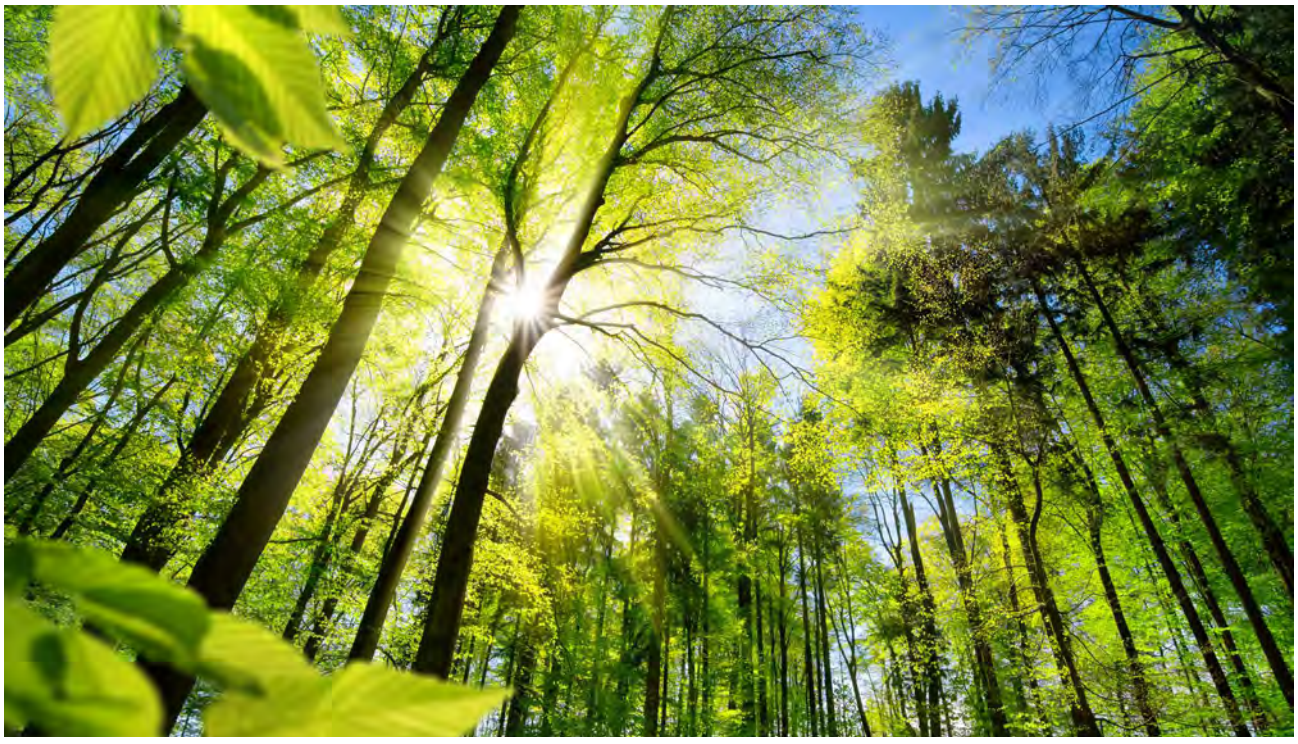
This model is applicable to CCN Members as they have their own local economies that have the same forces interacting as an overall economy but on a smaller scale. These regional economies add together to equal the overall UK economy. Council action will be the difference between the UK achieving its overall emissions targets or not. The concepts of the model can be used to drive overall goals of the council, with net zero plans as part of a wider integrated plan, as seen in Derbyshire County Council.

Case study: Derbyshire County Council

Derbyshire County Council recognise the importance of placing net zero at the centre of the council's strategic priorities. Achievements are quantified through economic investment contributing to environmental and social benefits, such as the £47 million in funding secured for the Derbyshire Bus Service Improvement Plan (BSIP) over three years.[20] Climate goals are integrated into overall council plans, which cover action to decarbonise the council's estate and operations, and also play a convening and influencing role across the county.

Derbyshire County Council works closely with Derby City Council, Derbyshire's eight district and borough councils, and the Peak District National Park Authority, and is also a constituent member of the East Midlands Combined County Authority, to agree on common priorities and ambitions. This has included the formation of a joint climate change strategy with the district and borough councils highlighting the role of county councils in leading and convening efforts related to climate change.

The UK government and CCN members can also take inspiration from international examples that use the opportunity of moving to a circular economy to address sectors that are most challenging to reduce emissions such as agriculture in collaboration with industry. This shows the impact such shifts can have.



Case study: Malmö Municipality and Skåne AB – Circular economy and a new economy model

In Sweden, EY Doberman is currently working alongside Innovation Skåne AB and the Malmö municipality on a decade-long programme intended to transform Malmö into a hub for environmentally, socially and economically sustainable food, where a third of the food consumed in the city is produced, processed and sold in the municipality itself. This is just one of eight innovation platforms for a sustainable food system, funded by the Swedish innovation agency Vinnova, that aims to leverage the combined strengths of multiple actors across the public, private and NGO sectors.[21]

Changing behaviour in food consumption and redefining value in the sector are key to reducing agricultural emissions in the UK and enhancing food security. As CCN member areas contain most agriculture businesses and their associated carbon emissions, yet do not have full influence over emission reductions, altering practices such as the use of farmland must be driven by both industry and community behaviour, with local councils convening and national government supporting this.

International frameworks are also instrumental in promoting a transition to a circular economy. New reporting and disclosure standards, such as the European Sustainability Reporting Standards (ESRS) and the Taskforce for Nature-related Financial Disclosures (TNFD), now embrace the principle of 'double materiality.' This requires businesses to consider and report on their dependencies and impacts on social and environmental systems.[22] Implementing such changes to reporting can be an effective way of measuring compliance with any statutory requirements.

The case for change: **Opportunities**

Whilst the opportunities of the green transition for counties can be seen through a whole-systems approach, or a new economy model, with examples provided where CCN members have adopted these approaches, more traditional measurements of the financial benefits also form part of the case for the green transition. The Yorkshire and Humber Climate Commission states they will invest £7.3 billion each year for the next 15 years and, even with conservative estimates, this investment could save the regional economy £250 billion by 2050.[23]

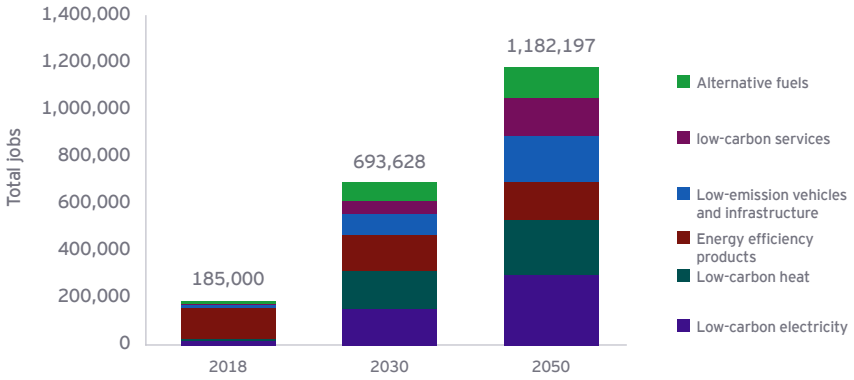
Job creation

Investments in clean technologies, green infrastructure, and sustainable practices are projected to lead to long-term job creation. Recent events highlighting the limitations of relying on imported energy have bolstered the UK's commitment to energy security, leading to spending and incentives for infrastructure projects and boosting opportunities for the renewables industry.[24]

Job growth has occurred in the net-zero sector over the past five years. In 2018 there were 185,000 full-time workers in England's low-carbon and renewable energy economy.[25] This rose to 218,500 jobs in 2022-23.[26] Current trends indicate this will continue to accelerate across England with as many as 694,000 direct jobs employed in the low-carbon and renewable energy economy in 2030, rising to over 1.18 million by 2050 (Figure 5).[27] Almost 50% of these are expected to be within CCN member areas.[28]

Job creation although higher in absolute terms across CCN members, is forecast to increase at a slower rate from 2030 to 2050, but the impact over the next 10 years, will be a great boost to these economies, who have been left behind in the net zero transition so far compared to urban areas. This projected growth in jobs will have a significant impact on these local economies and will support the acceleration required to reduce emissions over the next decade to meet targets, particularly in CCN member areas.

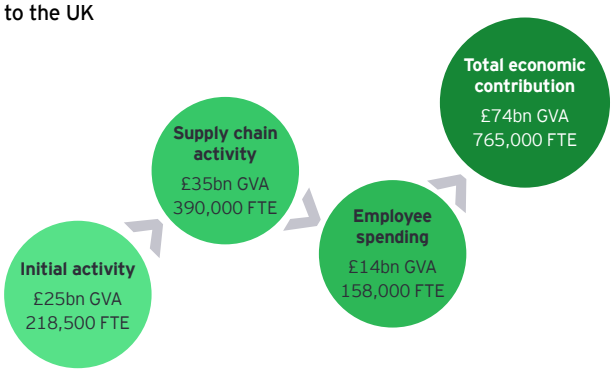
Figure 6 – Low-carbon jobs in England – 2018, 2030 and 2050



Source: ONS and Ecuity Economics, 2024

These jobs will also have a remarkable multiplying effect on other areas of the economy. Whilst their own GVA is £25 billion, wider contribution of net zero jobs to other sectors through supply chain and spending increases the total to £74 billion, representing 3.8% of the entire UK economy. Every £1 billion in net zero activity, contributed double, nearly £2 billion more, to the wider economy (Figure 6). This means the overall economy will continue to grow in a way that supports the new government's missions and CCN member goals.

Figure 7 – The economic contribution of the net zero economy to the UK



Source: CBI Economics, 2024

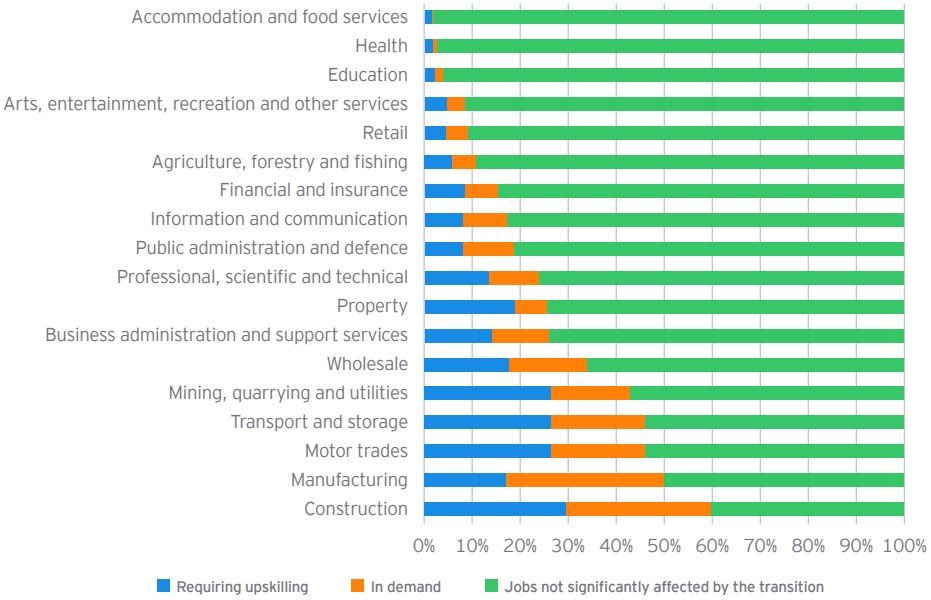
The case for change: **Opportunities**

Training and skills

To be able to fill these newly created jobs, councils are or should take the lead on local climate plans to re-shape local economies, with the potential value of low-carbon infrastructure increasing demand for new skills and training. Over 23,000 FTEs are estimated to be required by councils retrofitting homes[29] with an additional 7,000 FTE skilled-workers needed to install heat pumps.[30] Such schemes are critical to further reduce emissions in public sector, commercial and domestic sectors, where CCN members require collaboration and support from the private sector. Councils are making progress with emissions reduction but require further devolved powers, funding and policy direction from government to make a greater impact overall.

6.3 million current jobs or 1 in 5 existing workers, are also estimated to be affected by the green transition. As seen in Figure 7, the sectors of construction, manufacturing and transport are identified as those having the greatest requirement for new skills and training.[31] CCN members can use the transition and the need to upskill workers, to become knowledge-based and tourist economies. By becoming hubs for specialised education, training and skills development, these areas can attract business tourism and investment, with people travelling to train, and businesses being attracted into these areas. Improving skills can also lead to increased wages, and more productive workers contributing to the UK's overall growth, whilst working in some of the sectors that require the greatest decrease in carbon emissions.

Figure 8 – Jobs requiring upskilling, jobs in demand, and jobs not significantly affected by the transition, by sector

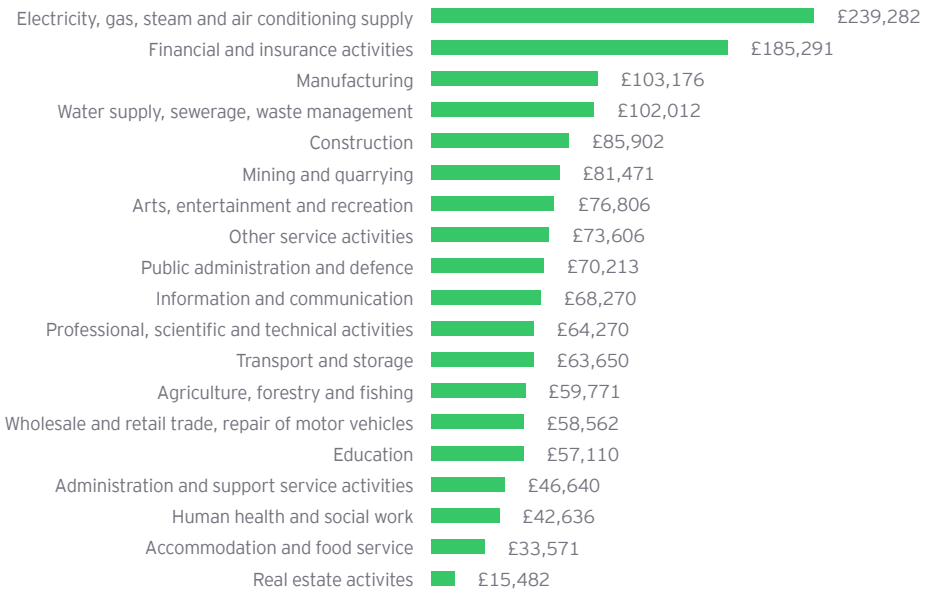


Source: Place-Based Climate Action Network

Increase in productivity

Productivity levels within the new net zero job market are notably high (Figure 8). On average, each FTE in the net zero sector generates £114,300 per annum, which is 1.6 times more productive than the average across other sectors. This high productivity is reflected in the earnings of employees working in net zero roles, with average wages being 23% greater than the national average – £44,600 compared with £35,400.[32] These figures not only account for the direct value created by net zero activities but also encompass the broader economic benefits, such as the strengthening of supply chains and the increased consumer spending power due to the higher salaries in net zero jobs as discussed previously. Levels of the productivity increases vary across sectors and regions, but all areas benefit from net zero (Figure 9). Here is an opportunity for CCN members to reduce the current inequality that exists within current net zero policy.

Figure 9 – Net zero productivity by sector



Source: CBI Economics, 2024

The case for change: **Opportunities**

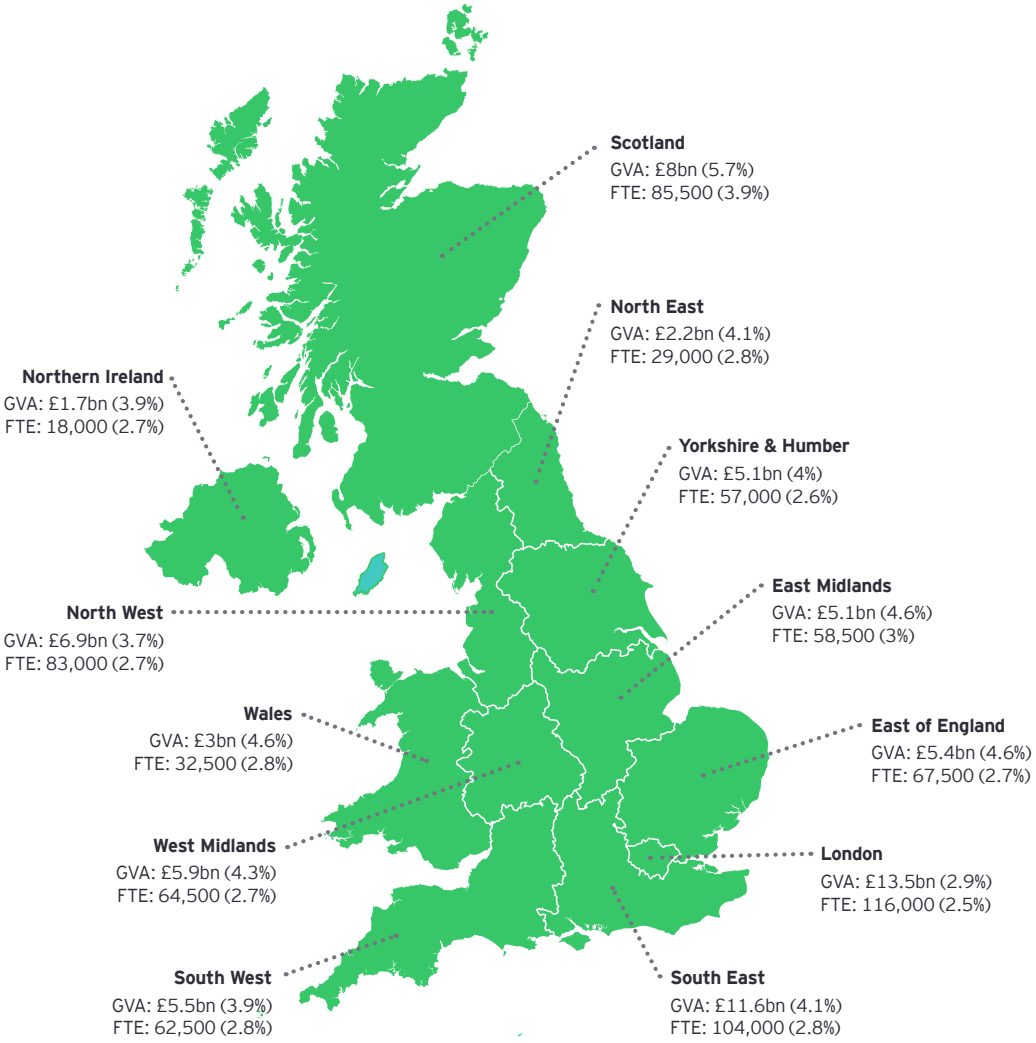
Figure 10 – Regional productivity of net zero businesses vs. the regional average (GVA per FTE)

Source: CBI Economics, 2024

Reducing inequality

Building on the above, there is no north-south divide regarding how net zero can contribute to local GVA; all regions have the potential to benefit from net zero related economic growth especially those in more rural areas (Figure 10). There is a unique opportunity to address climate change and significantly reduce community disparities in a way which redefines our approach to economic growth and social development, creating a more equitable and sustainable society. CCN members have distinct characteristics of their places all of which can help support and drive towards net zero, with the right focus and investment.

Figure 11 – Regional breakdown of the economic contributions of the net zero economy



Source: CBI Economics, 2024

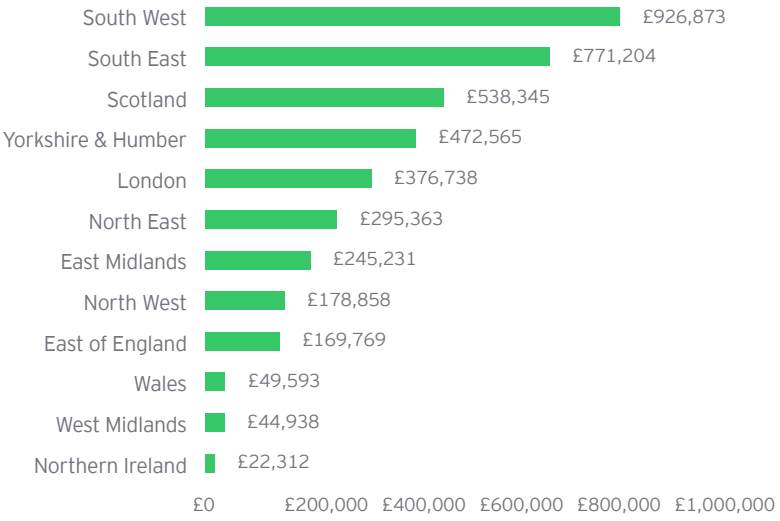
Investment and innovative solutions

The net zero sector has demonstrated its capacity to attract significant private investment, with net zero businesses receiving £279 million of public funding and £12.3 billion of private investment between 2018 and 2022. 2022 alone saw £1.5 billion invested in the low-emissions vehicle sector, more than the biopharmaceutical sector (£1.4 billion).[33] This underscores the sector's robust growth and its further potential, as it will play a pivotal role in the UK's transition to a sustainable economy, given transport is one of the largest emitters of carbon, and in CCN member areas transport emissions increased in the eight years before the pandemic. Commercial and manufacturing sectors are understanding the potential in this sector.

The case for change: **Opportunities**

In addition, this investment is spread throughout the country with diversity in the average investment funding per business (Figure 12) and the number of projects and jobs created differs considerably across regions (Figure 13). This reflects the key differences between regions that needs to be understood and considered in government communication and policy. A one-size fits all approach is not enough to unlock the benefits of net-zero for all regions, as this will further reinforce existing disparities between regions.

Figure 12 – Average investment funding per net zero business received in 2021 and 2022



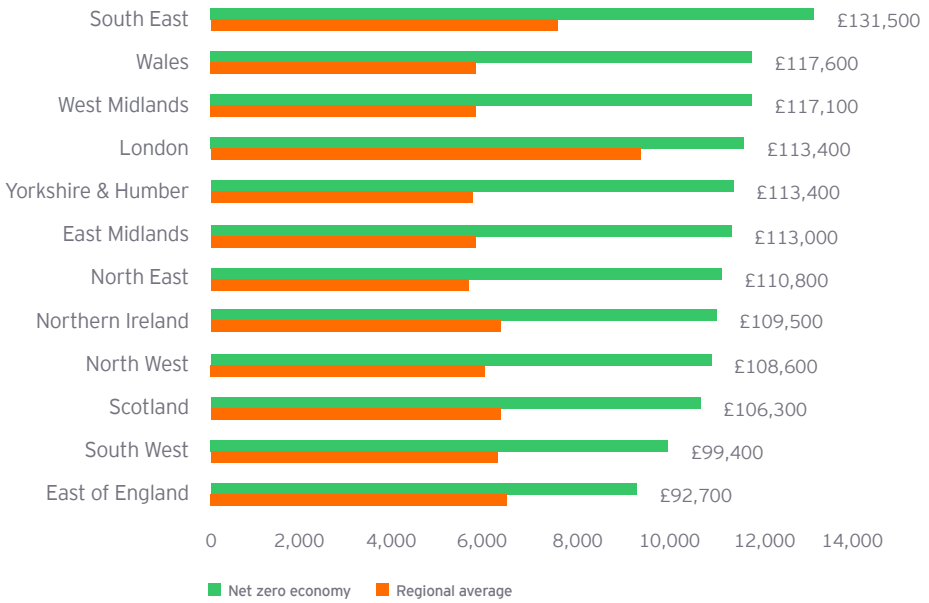
Source: The Data City, Dealroom and CBI Economics, 2024

Case study: Community Energy Pathways Programme

The Community Energy Pathways programme aims to accelerate the growth of the community energy sector across England, bringing local authorities and communities together to support the delivery of Net Zero targets. The programme has already helped communities in the South East to establish community energy groups, set up solar initiatives, innovative heat projects, and electric vehicle charging stations. It also offers vital energy efficiency advice and support for vulnerable residents, resulting in lower energy bills.

The Pathways programme provides mentoring to community energy businesses in partnership with Essex, Hampshire, and Surrey County councils, as well as the South Downs National Park. These efforts are part of the councils' Climate Change Strategies and their race to Net Zero. The success of these initiatives has prompted other councils to express interest in joining the programme. With support from the Greater South East Energy Hub, the programme is being scaled up to target hundreds of local authorities across England, aiming to establish a thriving community energy sector that contributes significantly to the UK's Net Zero ambitions.[34] Here, CCN Members are empowering regional communities to make their own contributions to reducing greenhouse gas emissions with residents experiencing a host of other benefits.

Figure 13 – Number of net zero FDI projects by region and number of new jobs created



Source: The Department for Business and Trade, 2024

An example of how investment can be used is for community-led renewable energy projects. These initiatives often involve the development of renewable energy sources and aim to increase local energy resilience, reduce carbon emissions, and provide financial benefits to the community. CCN members provide mentoring support alongside the public grant funding or private sector investment which makes these possible.

The case for change: **Opportunities**

Leveraging technology

Other councils have created opportunities within their areas to leverage innovative technologies to generate further interest from local private investors. An example is the Cumbria Decentralised Energy Strategy, which focuses on business decarbonisation and clean energy generation.

Case study: Cumbria Clean Energy Strategy

Cumbria is a leader in renewable energy generation in the UK, generating 15.9% of the electricity produced from offshore wind.[35] In 2022, Cumbria LEP and Cumberland County Council (replaced by Cumberland Council and Westmorland & Furness Council in April 2023) published a Clean Energy Strategy, which contained a comprehensive assessment of clean energy opportunities in the county and how these could be deployed in alignment with government policy.

The strategy provides stakeholders with a comprehensive assessment of the deployment of clean energy opportunities in the area, focusing on large-scale technologies, including carbon capture, usage and storage (CCUS), nuclear and offshore wind. Building on the Clean Energy Strategy, Cumbria published the Distributed Energy Strategy, recognising the need for diverse energy contributions and focusing on smaller-scale decentralised technologies more suitable for rural and remote areas. The diverse geography of Cumbria means that, from tidal and wave technology to solar generation, in combination with animal grazing, there are substantial opportunities for community-level renewable energy generation. The benefit of energy generation at this level is that it avoids the national policy uncertainty that implicates large-scale infrastructure projects and facilitates conversation between businesses, local authorities and third-sector organisations to accelerate the deployment of community-level technologies.

The Community Energy Pathways Programme and Cumbria Clean Energy Strategy demonstrate local areas in different parts of England using innovation and technology, through funding, but also actively seeking further funding, to propel community-led renewable energy projects. In both cases, CCN members have taken an active role in co-ordinating parties and empowering communities to take the lead, utilising natural resources to reduce carbon emissions.

Land as an asset

The UK's rural areas, many of which are CCN member areas, contain a diverse range of natural capital, reflecting the unique environmental assets of each region. Eastern England's flat, arable farmland contrasts with the West's hilly, wetter landscape, supporting different agricultural practices. Coastal areas like Cornwall thrive on tourism, while the Midlands blend cultural and post-industrial natural capital, and the North focuses on naval and resource extraction sites. Rural areas cover 90% of the UK, with England's natural capital valued at £1.4 trillion in 2020, 78% of the total asset value. There is great value that can be unlocked in the natural environment, which differs across the country, whilst also increasing biodiversity and meeting social objectives.

Greater biodiversity and the preservation of the natural environment, including forests, nature reserves, and wildlife areas, can significantly enhance tourism in rural areas. Rural tourism accounts for 70-80% of all domestic UK tourism and adds £14.56 billion to England and Wales's Gross Value Added.[36] Visitors are increasingly drawn to destinations that offer unique experiences. Nature reserves protect endemic species and ecosystems, offering educational programmes and guided tours that attract tourists interested in conservation and environmental stewardship, and local populations are supported to understand how they can support the climate agenda by the small ways which they can act.

Case study: Essex Local Nature Partnership

Numerous partnerships are being created to facilitate the use of land as a natural asset promoting tourism and climate change recovery, with CCN members at the centre of this. The Essex Local Nature Partnership (LNP), with initial administrative support from Essex County Council, brings together individuals, businesses, and 40 local organisations that share the aim of improving their local natural environment.[37] Its board is comprised of 14 representatives from multiple sectors, including agriculture, local government, and youth groups, who are particularly important for the future. The LNP works closely on areas published in the 25-year Environmental Plan by the government in 2018, as well as the Environment Bill, including the Nature Recovery Network and Biodiversity Net Gain. This is one of 47 LNPs across England, bringing together different local perspectives to build and support resilient landscapes. Working with a greater number of organisations in the community provides greater scale and the potential for more impact.

A robust market for eco-tourism and sustainable tourism practices can lead to increased local employment, investment in infrastructure, and a boost to the rural economy in CCN member areas whilst also contributing to nature recovery, adaptation and mitigation. Further, by supporting residents to understand the consequences of their actions and how it impacts the area which they live, communities can further enhance natural assets and make a difference in reducing emissions and promoting sustainability.

Revenue generation through natural capital

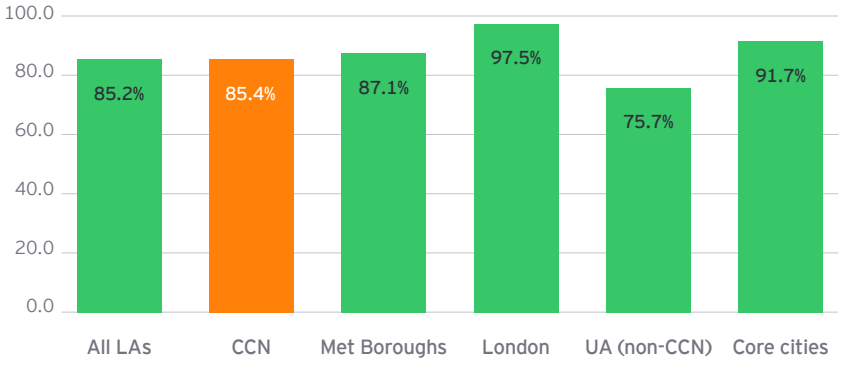
With Biodiversity Net Gain (BNG) becoming mandatory in 2024, there is the potential for CCN members to build on already strong biodiversity plans, local nature recovery strategies and local nature partnerships, creating revenue generating initiatives using natural capital, which can further support the local sustainability agenda. Nature-based schemes provide dual ecological preservation and revenue generation advantages. These schemes safeguard biodiversity and tap into new markets. Oxfordshire Local Nature Partnership estimates that the revenue generated could be £108 million if the minimum 10% BNG is adopted, which could contribute up to 13% to finance further habitat creation.[38]

Such schemes offer a financial incentive for maintaining natural habitats and can provide investment opportunities. Credits can be sold to local developers to offset their emissions and improve their biodiversity as a mitigation strategy. To sell credits to others to offset their emissions, councils must disproportionately increase biodiversity elsewhere, which results in a "net gain". Such an initiative has been announced in the York and North Yorkshire Combined Authority who were selected as one of four national programmes through the Local Investment in Natural Capital (LINC) Programme, an accelerator programme which has directed funding of £350,000 across two pilot projects,[39] one which is in BNG. They will trial the new market framework based on a token/credit system. If successful, this could be a blueprint that CCN members can follow to generate revenue at a time when funding is highly constrained.

Why are CCN members best placed to support?

As discussed in the context section and revisited here, the movement to net zero is focused on the tangible reduction in CO_2 and equivalent greenhouse gas emissions from the atmosphere. The concept of influenceable emissions is presented in Figure 13. CCN members can influence the reduction of 85.4% of emissions within their members, which is the same as the average amount of influence that other local authorities have. There is an immense opportunity for CCN members to close the gap between their current level of reduction in emissions and what change can be realistically achieved with their influence.

Figure 14 – Total influenceable CO_2 emissions %



Source: GOV.UK, 2024

The benefits of a green transition discussed in this chapter include providing CCN members the opportunity to utilise their natural capital to adapt, mitigate and restore the natural environment, reducing carbon emissions and making communities more resilient.

The case for change: **Opportunities**

In moving to a whole-system approach, CCN member decisions can be considered in a more holistic way, recognising the interconnectedness of factors, which can lead to better outcomes in reducing emissions and contributing to the government's overall net zero targets. CCN members focus on place and their role in the community and local government system makes them the ideal partner for the national government in achieving its net zero goals.

Economic benefits can also be seen with net zero, such as job creation, skills and training, contributing to increases in productivity and opportunities for investment. All of which has the potential to reduce current inequalities between areas with a variety of businesses and projects, whilst supporting the government's missions.

The green transition can also be used to leverage natural capital CCN members hold, with the potential for new revenue streams. There is a compelling argument that CCN members cannot afford to invest in net zero, and that government cannot provide the tools for councils to drive this change. However, doing so is mutually beneficial, but there are a variety of complex challenges that must be addressed and overcome.

There are many competing demands on land across the country, and this is particularly true in county areas. Recent policy interventions from the Government will mean a big increase in the number of homes that are expected to be delivered in county areas. This is alongside efforts to increase clean and green energy, improve economic growth and productivity and restore natural environments. Recognising these pressures, the Department for Environment, Food and Rural Affairs (DEFRA) has published a consultation on national land use strategy.

The strategy aims to provide a strategic approach to managing land use in England with the main objective to give decision makers the data they need to protect our most productive agricultural land, boosting Britain's food security in a time of global uncertainty and a changing climate, whilst also allowing the delivery of the various national objectives outlined above.

A national land use plan is likely to be welcomed and will hopefully assist managing competing demands on land whilst securing the best outcomes. This must be joined up with the policy across other government departments as well as the documents that local authorities prepare, from Local Nature Recovery Strategies, local growth plans and new Spatial Development Strategies, if they are to be fully effective. Enhanced government departmental collaboration along with greater engagement with local government will be essential to achieving this.

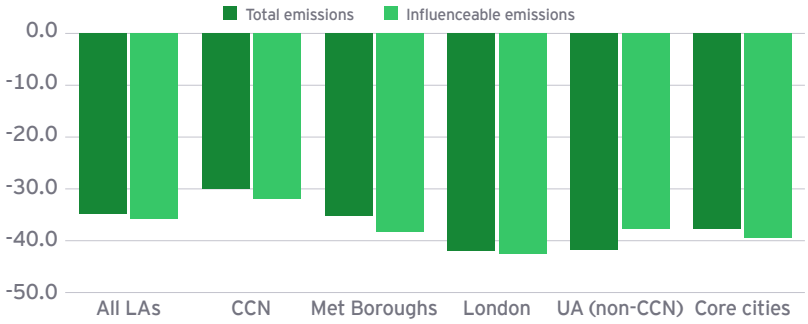
3

The case for change

Challenges

Achieving net zero presents numerous complex challenges that must be addressed swiftly. The overarching task of decarbonisation necessitates comprehensive transformation across all sectors, with some of the most significant challenges and impacts occurring in rural areas. As Figure 14 indicates, changes in influenceable emissions across CCN members from 2012 to 2022 are lower compared to other local authority types, mainly urban areas and the overall average. This is due to CCN members, and rural areas generally, being impacted to a greater degree by the challenges discussed below:

Figure 15 – Change in influenceable emissions across English local authority types from 2012 to 2022



Source: GOV.UK, 2024

Energy: The UK aims to double energy generation by the late 2030s, but the ageing grid cannot handle the variability of renewable sources like solar and wind.[40] Solar farms and roof-mounted systems face 10 to 15-year lead times for grid connections, hindering solar capacity growth. With only 15 Gigawatts (GW) of grid connection available, scaling technology and system updates to meet the 2035 goal of 70GW is challenging. These delays will heavily impact energy production and costs in CCN member areas. Effective decarbonisation requires reliable storage solutions and smart grids to ensure stable energy supply. As we have outlined, the Government launched Clean Power 2030 in December 2024, and Great British Energy will be tasked with working with local Government to deliver a Local Power Plan and roll out small to medium renewable energy projects. Areas are also working to prepare Local Area Energy Plans that will set out how their areas will deliver carbon neutral energy.

The case for change: **Challenges**

Heating: Buildings account for 17% of carbon emissions when heated by fossil fuels. The Climate Change Committee (CCC) reports that the UK is behind on its goal to install 600,000 electric heat pumps annually until 2028.[41] Despite increased grants and new policy from the incoming government, heat pumps remain costly. 80% of homes will need to switch to a heat pump by 2050, but currently only 1% have them.[42] Rural areas, often reliant on oil rather than natural gas or electricity, face higher levels of fuel poverty and challenges around electrification can be more challenging given legacy energy systems. Issues such as limited funding, lack of clear targets, and specific rural challenges not being addressed also delay progress. Both communities and CCN members require greater policy and support to address these issues.

Insulation: The UK's housing is among the least energy-efficient in Europe, with 12 million homes rated D or below on Energy Performance Certificates.[43] The Great British Insulation Scheme aims to improve this, but recent rollbacks on landlord regulations threaten progress and could raise energy bills. Clear policies and action are needed by government to reduce energy demand by 15% from 2021 levels by 2030 in both domestic and commercial buildings. Communities also need to recognise their role in driving change alongside local councils, through leading projects and investing in buildings to see longer term benefits despite the up-front costs.

Agriculture: Food strategy and environmental land management schemes aim to reduce agricultural emissions, which contributes 11% to the UK's overall figures, and promote sustainable practices, but the current strategy is not ambitious enough. Government departments have strong relationships with landowners but not local areas, with arm's length bodies performing a role more suited to local councils, who have the knowledge of their area, and play a convening role within their communities. Changing behaviour, such as declining meat consumption also influences how farmland is used, and will continue to impact rural communities, whose local economies make up a greater proportion of the UK's agriculture industry. This sector is also more adversely impacted by the effects of climate change.

Transport: The previous government postponed the ban on new petrol and diesel cars to 2035 (from 2030) but introduced quotas for zero-emission vehicle sales. Electric vehicle sales are increasing, with plans for 300,000 public charging points by 2030. However, charging infrastructure distribution is uneven, leading to regional inequalities. Despite having 70% of England's Road miles, county and rural areas have just one electric charge point for every 10 miles, compared to half that for major cities and every three-quarters of a mile for London.[44] This will impact drivers switching to electric vehicles, with cars the largest single emitter.

Public transport is becoming more sustainable with nearly half of new buses in 2023 being zero-emission, yet a date has not been set to end diesel bus sales or a plan presented to phase out diesel trains by 2040. Low-carbon transport alternatives are important to reduce cars on the road, with public transport taking more people with less emissions per person. Infrastructure also needs to be improved to facilitate quicker travel between areas, this is particularly acute in rural areas where connectivity can be a challenge, and where moving to zero emission fleets will also be challenging given the way they operate over longer distances.

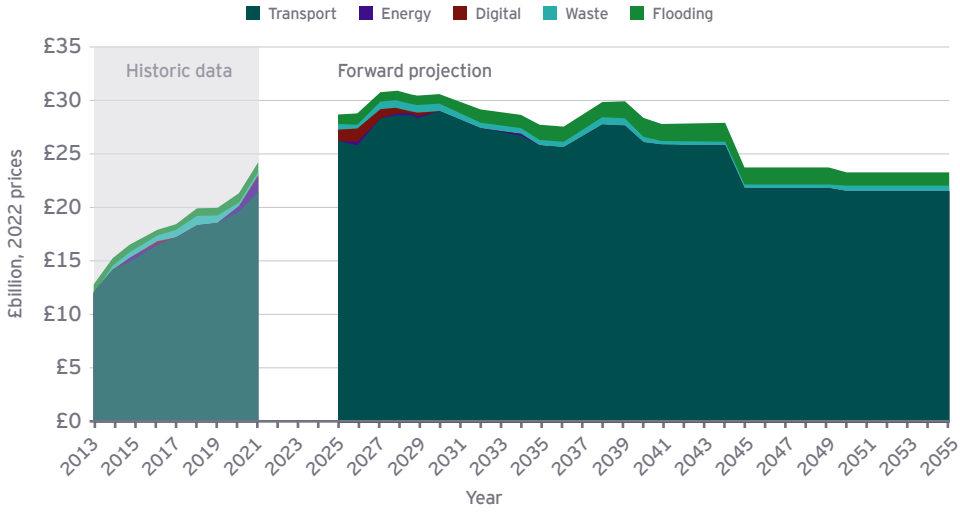
Infrastructure: Since 2010, the UK has significantly increased its wind power capacity by 20-fold, constructed or upgraded 1,100 miles of road, and provided full fibre connections to over 19 million premises. Additionally, there has been the approval of more than 120 Nationally Significant Infrastructure Projects (NSIPs), with a 95% approval rate for development consent applications, indicating substantial progress since 2010.[45]

However, the Second National Infrastructure Assessment (2023) indicates that investment in infrastructure over recent decades has been insufficient to support the necessary adaptations for achieving net zero being below £25 billion in 2021.[46] This assessment is also urban focussed with particular recommendations around urban transport and devolved funding to urban areas and therefore further consideration is needed on the specific policy and funding interventions that would benefit rural areas, including the adaptations required for the rising sea levels and flood risks associated with climate change, which already incur an annual reactive cost of £700 million in the UK. This cost is projected to increase by between 13% and 23% over the next century.[47] Inaction is not an option and, the greater the delay, the more costly it will become, notwithstanding impacts on communities.

To meet long-term objectives, it is imperative to enhance investment and accelerate the development of large-scale infrastructure projects up until 2030, where peak annual investment is projected at £30 billion and growing investment in digital technology is required in the lead up to this period (Figure 15). Investment levels are then predicted to decrease to pre-spending review levels of under £25 billion per year in 2045, as benefits are realised. Communicating the required investment immediately is essential to set the urgency of the situation. Strategic planning is required to expedite the mobilisation and delivery of projects over the next decade especially with the current levels of disparity in investment in infrastructure between urban and rural areas and CCN members are best placed to partner with central government on this.

The case for change: **Challenges**

Figure 16 – Public investment in economic infrastructure must be maintained at high levels



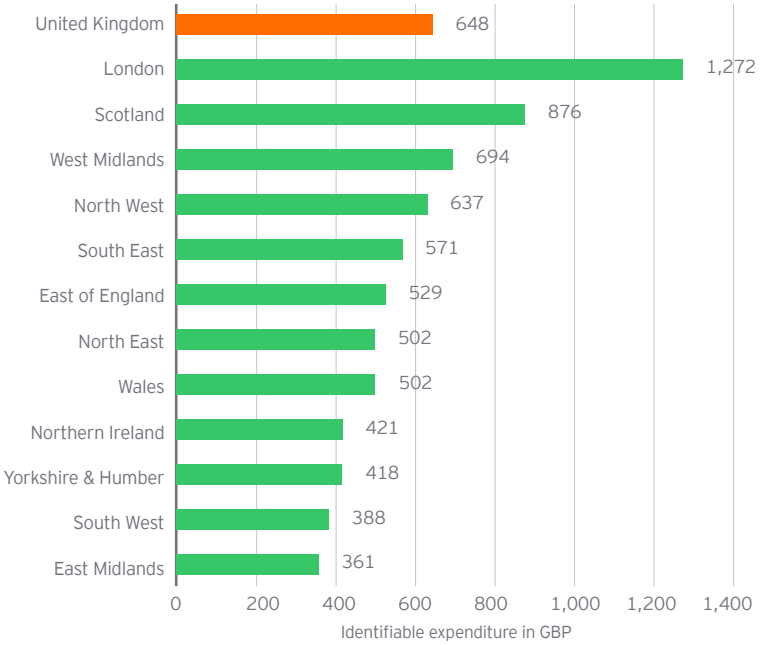
Source: National Infrastructure Commission, 2023

Note: Gap in the chart covers the three years of Spending Review 2021. HM Treasury committed £100 billion in current prices over these three years. No sectoral breakdown has been published and the outturn data for this period is not yet available.

Regional disparities in investment and infrastructure

The areas and sectors described above are interconnected, with policy decisions having unintended impacts, which can lead to reinforcing inequalities, such as with infrastructure and transport. Urban areas are seeing increased funding and focus on delivering sustainable public transport whilst rural areas are having to significantly reduce bus journeys. In 2022-23, public spending on transport was uneven, with London receiving £1,272 per capita, while the East Midlands received only £361 per capita (Figure 16).[48]

Figure 17 – Identifiable expenditure on transport per capita in the UK in 2022–23 by region



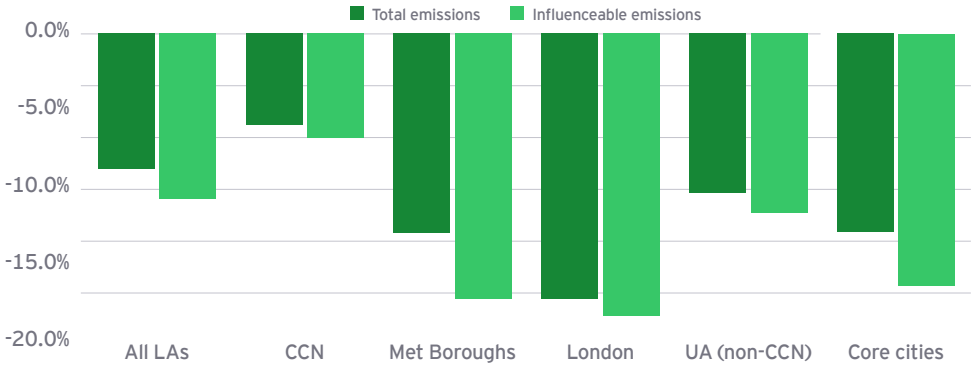
Source: Statista, 2023

This contributes to a potential reduced return on investment in rural areas, where smaller, dispersed populations and the associated economies of scale, make it challenging to justify the capital for green projects from both the public and private sector. Consequently, the infrastructure necessary to support net zero initiatives, such as widespread renewable energy, which are suitable to leverage the natural assets of an area, and a robust network of electric vehicle charging stations, is underdeveloped.

Figure 17 shows how such expenditure correlates to the reduction in transport emissions across local authorities. Transport, the highest emitting sector, has been slowest to reduce emissions, particularly in CCN member geographical areas, only reducing by 10.3% from 2012-2022. Unlike other local authorities' influenceable emissions, CCN member areas emissions increased between 2012-2019, only reducing over the 10-year period due to the pandemic (Figure 18). Underinvestment perpetuates a cycle where CCN member areas are seen as less viable for the kind of transformative investment and projects essential for reducing carbon emissions, thus slowing their progress towards net zero compared with the more financially bolstered urban areas.

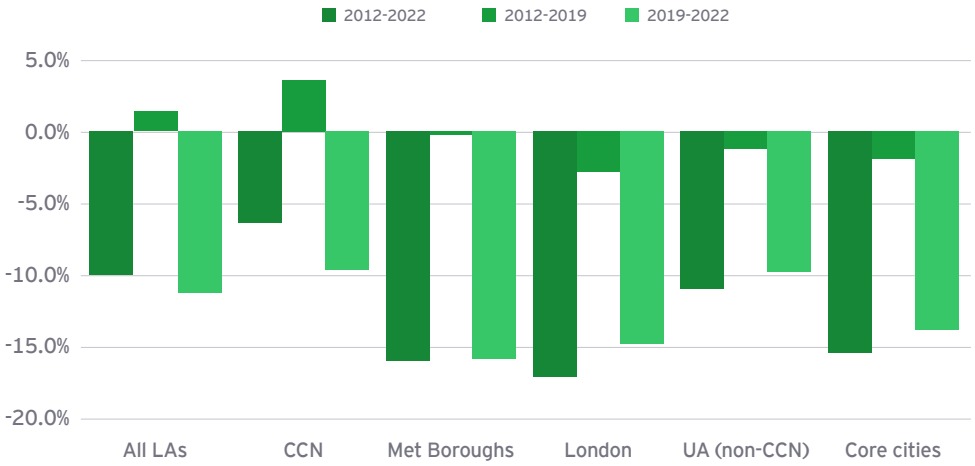
The case for change: **Challenges**

Figure 18 – Change in influenceable transport emissions in England 2012 to 2022



Source: GOV.UK, 2024

Figure 19 – Change in influenceable transport emissions pre and post-COVID-19



Source: GOV.UK, 2024

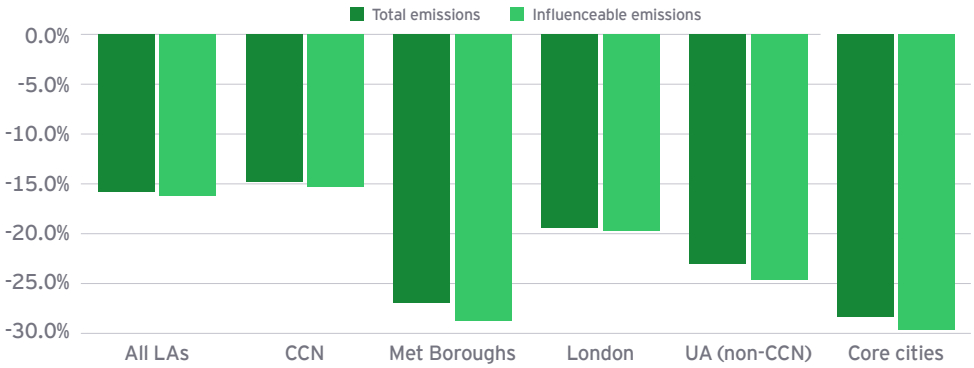
A further example of this is the national planning policy, which has been developed over a decade and has not improved the accessibility of new households to local public transport.[49] Rural areas are still more likely to rely on driving, as the travel time via public transport is, on average, 1.5 times greater. This hinders efforts to reduce emissions from car transportation and to encourage active commuting through public transport or walking, which offers various health benefits. Rural specifics are not being considered in current policy or are able to compete for funding in the current way funds are assessed and allocated.

Climate change is having a disproportionate effect on agriculture and rural communities

Climate change is having a disproportionate effect in the agriculture sector and rural communities, with the increased frequency and severity of extreme weather events such as flooding, and the economic implications of shifting farming practices. As winters become warmer and wetter, traditional crop cycles are disrupted, leading to reduced yields and financial strain for farmers who rely on consistent seasonal patterns. According to DEFRA-commissioned research, winter floods cost farmers an average of £480 per hectare. Costs to arable and horticultural businesses may be two to four times higher respectively.[50] The cost of adapting to these changes is substantial, as it requires investment in new infrastructure to manage flood risks, such as levees and water management systems, and the development of new agricultural practices and crop varieties resilient to changing climate conditions.

Agriculture accounts for 11% of overall UK emissions,[51] with CCN members responsible for 90% of these emissions in England. Yet from 2012-2022, influenceable emissions only reduced by 15.3% in CCN members (Figure 19), demonstrating the challenge in reducing its emissions compared to other sectors. It is essential to do so, but it must be done in a targeted manner due to the significant impact on rural economies and communities. Although agriculture only contributes 2% to GVA, it makes up 14% of registered businesses in rural areas.

Figure 20 – Change in CO_2 emissions in agriculture sector across English local authority types 2012 to 2022



Source: County Councils Network, 2024
Source: GOV.UK, 2024

The case for change: **Challenges**

Transforming this sector requires a careful balance between maintaining jobs and food production in the short term whilst implementing emissions reduction measures. Achieving progress in this sector demands collaboration, local knowledge, a place-based approach and targeted funding. Currently, the complexity of decarbonising agriculture poses significant challenges in meeting net zero goals which particularly impacts CCN members. This is not made any easier by the current top-down approach employed by the government and, at times, conflicting policy.

The top-down approach to strategy for net zero

The UK currently operates under one of the most centralised governmental models in Europe.[52] Under the current system, central government is in control of the creation of legislation and the policy and delivery framework to achieve environmental targets, which are then implemented by local government based on the funding available through programme specific grant funding. Given local governments are those which have the rich knowledge of their area, councils, including CCN members, are ideal partners to co-design policies and initiatives that will best bring benefits to their places.

One policy that embodies this issue is the previous Government's plans to improve bus services across the country following the COVID-19 pandemic through their National Bus Strategy. This strategy aimed to 'launch a revolution in bus services' and that 'bus services across the country would be transformed'. This was a welcome intention but the way the policy was executed led to unbalanced outcomes in rural areas when compared with urban areas. Despite many CCN members preparing Bus Service Improvement Plans (BSIP) – a requirement to receive funding – only a handful of them received funding. Overall, in the first round of funding CCN members received £329mn of funding, whereas £756mn was allocated to other, mainly urban, authorities.

A key issue contributing to the unsatisfactory results for CCN members was the lack of clarity regarding the criteria for assessing the BSIPs, as well as an unrealistic expectation about the amount of funding each local authority could anticipate. This situation prompted regions to develop ambitious plans that necessitated substantial funding for execution, ultimately leaving many authorities without the financial support needed to carry out the plans they had dedicated considerable time and effort to create. Consequently, this process fostered a general mistrust in such initiatives and discouraged future participation in similar funding opportunities. If the Government had collaborated more closely with local authorities, it could have helped align expectations and resulted in more equitable outcomes informed by local insights and conditions.

There are numerous examples of where grant based one-size-fits-all policy is employed by central government which do not meet the needs of or consider the local requirements of an area. Whilst a policy driving investment in public transport may be well-intended and suit needs in the context of a more densely populated urban county, net zero policy cannot take a 'one-size-fits-all' approach across the country given the distinct impact of such measures.

Overlapping government policies, responsibilities and actions

The previous UK government's approach to achieving net zero emissions by 2050 involved a complex web of overlapping policies and responsibilities among various departments (Figure 20):

- The Department for Energy Security and Net Zero (DESNZ) focuses on energy policy and clean energy transitions.
- The Department for Environment, Food & Rural Affairs (DEFRA) manages land use, agriculture, and the natural environment, intersecting with DESNZ's energy policies. DEFRA is the lead department for climate adaptation, coordinating the UK's domestic adaptation to climate change and managing the National Adaptation programme.
- The Ministry of Housing, Communities and Local Government's (MHCLG) define use of land, oversee planning regulation, set standards for energy efficiency in buildings, aligning with DESNZ's emission reduction goals and DEFRA's environmental objectives.
- The Department for Transport (DfT) promotes electric vehicles and sustainable transport.
- The Department for Science, Innovation and Technology (DSIT) supports research and innovation, identifying 31 challenge areas for reaching net zero by 2050.
- All departments are funded by HM Treasury who can provide incentives for policy and set levels of taxation.
- All departments have to meet their own Greening Government Commitments. These targets, including for example, decarbonisation of their own building portfolios or commitments to provide sustainable forms of transport for department employees, will have placed-based implications.

The case for change: **Challenges**

Operating in silos does not leverage the benefits of sustainability

Figure 21 – Policy responsibility for net zero by previous government department

	CO	HMT	DBT	Defra	DESNZ	DfE	DfT	DHSC	DLUHC	DSIT	DWP	FCDO	OGD
Sectors													
Transport	●		●	●	●		Lead	●					
Business/Industry	●		●	●	Lead	●		●					
Buildings	●		●		Lead	●		●	Lead				
Power and greenhouse gas removals	●		●	●	Lead	●		●					
Agriculture, land use, land-use change and forestry, and waste	●		●	Lead	●								
Cross-cutting themes													
Green finance		Lead	●	●	Lead	●			●			●	
Greening government	●	●	●	Lead	●	●	●	●	●	●	●	●	●
Innovation		●	●	●	●					Lead			
Skills		●	●	●	●	Lead	●		●		●		
Trade policy		●	Lead	●	●							●	
Public procurement	Lead	●	●	●	●	●	●	●	●	●	●	●	●
Global influence	●	●	●		●							Lead	

Source: EY, 2024

The overlap in responsibilities, the fragmented landscape and complexities of coordinating policies across different sectors, have resulted in siloed actions on the net zero agenda. This has meant the UK has not moved towards its net zero targets at the speed which is required.[53] The full benefits of sustainability cannot be leveraged in this way. The Government has promoted a Mission based approach, aiming to focus all departments on working together to deliver the five government missions, of which three are especially relevant to unlocking sustainability: Make Britain a clean energy superpower; Break down barriers to opportunity; Kickstart economic growth. The industrial strategy and therefore local growth plans are taking a cross-cutting approach from a policy and place perspective. This could be better leveraged so that a common and integrated view on delivering net zero, and any associated trade-offs are clearly understood. This centralisation could potentially streamline efforts and address the challenges more effectively, but energy is only one, albeit large, piece of the puzzle to achieve net zero.

CCN member areas are not set up for success despite being primed to take advantage of the energy transition

Current inconsistencies on a national level are felt down the chain to local authorities. A 2023 EY UK study for the Association of Directors of Environment, Economy, Planning & Transport (ADEPT) found that 55% of local authorities do not know the cost of reaching net zero, despite 70% having a 2030 target. Additionally, 30% questioned their data reliability, 45% rated their team's capacity low, and 85% scored lowest in finance, reflecting resource and funding issues.[54] Councils are focussed on day-to-day survival and need support to drive net zero in their areas and be the key strategic partner that they need to be to meet the government's targets and deliver for their areas and communities.

A fragmented system does not just exist on a national level but also across local authorities in England. County Councils operate in a two-tier system, responsible for services across the whole county such as transport, planning co-ordination and trading standards all of which are highly relevant to climate change. The lower tier of district borough and city councils are responsible for services such as council tax collection, housing and planning applications.[55] County councils are being asked to prepare Local Nature Recovery Strategies, whilst districts are also creating local plans. Operating in silos here also causes inefficiency and duplication resulting in less effective action.

Further, combined authorities only cover half of the country, and there are differences in the extent to which those with level 3 or level 4 mayoral combined authority deals can affect change with current funding. This misalignment poses a substantial barrier to implementing ambitious environmental targets, as the financial support does not consistently match the scope of authority granted. Many other councils are restricted to lower levels of power and as such, the extent to which they can reduce emissions. These areas currently outside of combined authorities' jurisdiction were assured under the previous government that any authority seeking a devolution deal would secure one, but not until 2030.

The case for change: **Challenges**

Although the government proposes a revised and enhanced devolution framework, the current timeline is not aligned with many areas net zero ambitions. Delays in granting devolution settlements to mayoral strategic authorities which don't yet exist, that provide the necessary powers to localise responses for meeting net zero targets, could hinder strategic alignment and tailored solutions. This may impede efforts to address socio-economic disparities between rural and urban areas while pursuing net zero goals. Even areas where combined authorities have been introduced, there has been significant change experienced over the last few years, and this will be compounded with further reform to individual councils and their financing. Such changes can risk unbalancing work that has already been done.

These factors alongside other macro-economic factors, such as healthcare for an aging population, Cost of Living, and Brexit eliminating access to EU funding routes, has resulted in increased competition between local councils. This unstable economic environment and continued financial pressures on local authority finances have meant that for the first time in 18 years, twelve local authorities have declared a section 114 notice (since 2018). These factors must be addressed if the UK is to achieve net zero.

The existing funding model is limiting net zero progress in CCN member areas

England's centralised political system also impacts how local areas receive funding for net zero projects. The funding structure for local authorities is made up of several components that each pose distinct challenges that limit the funding opportunities for CCN member areas, including core funding from central government, ability to raise local taxes (business rates and council tax), private investment and various sets of competitive grant funds.

Below we detail the challenges that the existing patchwork of revenue streams currently creates for local government, the net impact of which is to limit the ability of councils in rural areas to invest in initiatives addressing the shift towards net zero that councils need to undertake.

Core funding from Central Government

The core funding allocated to Local Government is barely adequate to meet the demands of essential statutory local services, with CCN projecting a shortfall for their Councils of £54bn by the end of the decade. The current distribution model, which is based on 'needs,' underlies the latest Local Government Finance Settlement and disproportionately allocates lower funding to rural areas, despite these regions being identified as having a more significant funding deficit compared to urban areas.

This issue was further intensified in the Finance Settlement for 2025-26, where the £105 million Rural Services Delivery Grant was abolished. This grant had acknowledged the additional costs associated with providing services in sparsely populated areas. Instead, the Settlement introduced a new 'Recovery Grant' that allocated £100 million to councils facing high levels of deprivation and low council tax bases, primarily benefiting urban areas. As a result, councils in rural regions are left in a more disadvantaged position.

With already limited budgets and the need to fulfil statutory service requirements, rural areas are experiencing a heightened sense of resource scarcity. Consequently, rural councils, including CCN members, find themselves lacking the financial flexibility or resources to prioritize net zero initiatives, which constrains their ability to secure funding for net zero projects or implement climate action plans.

Council tax

Over the past decade, council tax has surged due to a decline in core funding, rising by an average of 30%.[56] Rural areas pay 20% more council tax per head than urban areas but receive 41% less in government-funded spending power.[57] Across CCN member areas, 68% of funding comes from council tax alone, compared to a national average of 56.8%, due to differences in government spending allocations.[58] These spending allocations are being reviewed through a fair funding review, with CCN members likely to be disadvantaged. Council tax often goes towards filling gaps in essential services — explicitly so in the case of the Social Care Precept, leaving little for discretionary spending on areas like net zero initiatives.

Business rates

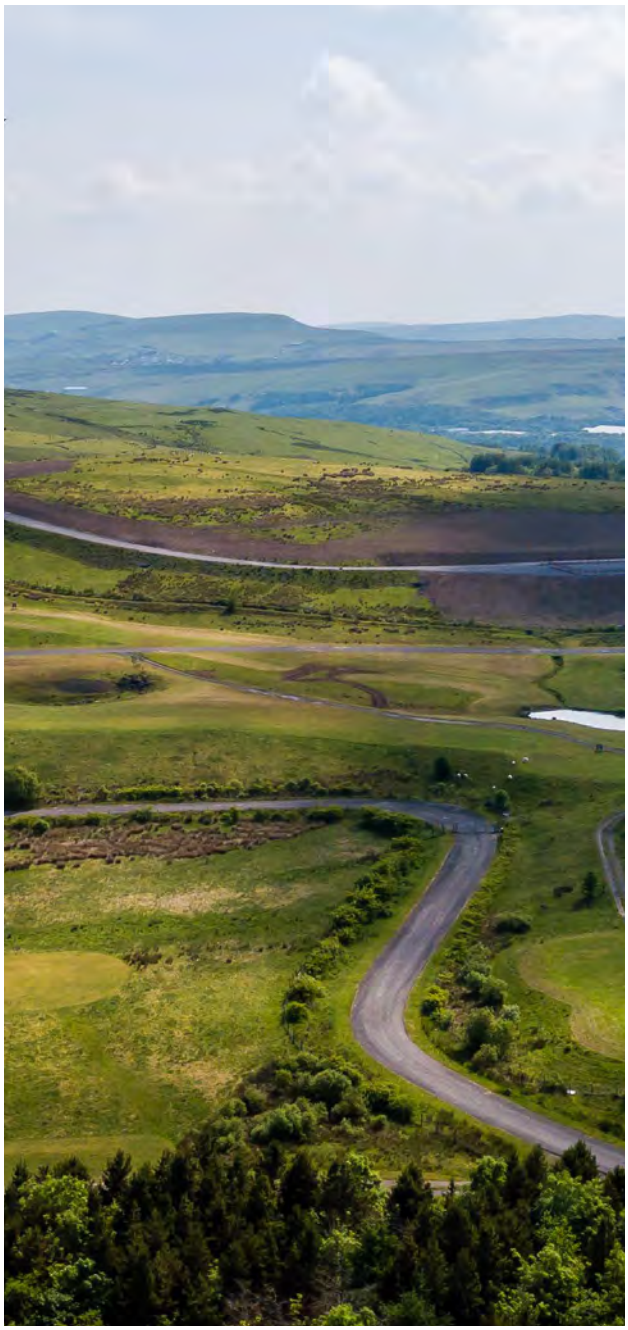
CCN members face more difficulties than urban areas in generating income from business rates, due to varying business types. In rural regions, 28.1% of employees work in micro businesses (1-9 employees) compared to 19.4% in urban areas.[59] Micro businesses have lower investment capabilities and smaller cash reserves, making them less resilient to economic shocks.[60]Fewer rural areas, compared to urban Combined Authorities and City Councils, have also been included in 100% rates retention schemes — resulting in a lesser level of financial flexibility.

Programme-based grant funding

Over the past decade the government has increasingly chosen to distribute funding for national programmes through a grant system overly reliant on competitive bids, and which CCN members often lose out on. Research finds that 90% of local authorities do not think that current financial pots are adequate to deliver net zero by 2050, meaning that amendments to this process is critical.[61] There is currently no core central government funding for local climate action, with local areas largely relying upon applications for grant funding to achieve their net zero ambitions.[62] The two significant limitations of grant funding are its short-term nature and the application process for funding.

The Devolution White Paper sets out an intention to roll all funding for Mayoral Strategic Authorities into an Integrated Funding Settlement (IFS), giving flexibility over how funding is spent rather than within the parameters of programme-based grants. If we are to deliver net zero at pace, consideration will need to be given as to how funding is provided for net zero to areas without devolution. Even areas pursuing devolution now will not be able to access an IFS until a mayoral authority is established, which is likely to be some years down the line.

The case for change: **Challenges**



Nature of funding

The short-term nature of grant funding limits local authorities' ability to make long-term climate decisions.[63] Over recent years, an average of one-third of grants are discontinued within the year they are provided.[64] Given there is no indication at present that funding for climate action will come through core government funding, it is highly likely that this will continue to be funded through grant based funding. Longer-term funding cycles are therefore critical to achieving net zero by 2050 as short-term policies and funds do not present good value for money and detrimentally fragment the net zero approach across the country.[65] Decarbonising buildings has made negligible progress since 2015 because of short-term funding and inconsistent policies from central government, resulting in supply chain constraints from lower contractor investment in skills and capacity.

An example of a recent grant funded programme is the Rural England Prosperity Fund,[66] which funds capital projects for small businesses and community infrastructure aimed at helping to improve productivity and strengthen the rural economy and rural communities.

For areas without integrated settlements, this programme could be increased through the next Comprehensive Spending Review and broadened to include supporting net zero projects.

Funds like these should be multi-year, giving areas without integrated settlements similar opportunities to deliver net zero initiatives and plan over the medium to long-term for net zero related projects.

Application process for funding

The grant application process creates a competitive environment, and the high associated costs prevent the creation of a stable funding stream from which could allow local areas to plan from year to year.[67] The average cost of a bid for the previous Levelling Up Fund was £88,000, without accounting for staff costs, and half of these bids were rejected[68]. Due to these factors, 60% of councils have been dissuaded from bidding for funding, even in the face of high local need or potential returns on investment.[69]

Given the higher spending per head in urban versus rural areas and the lower funding from central government, CCN member areas are left with a more limited capacity to obtain funding, even when the additional support is more necessary in rural areas.[70] Subsequently, the significant resources required, and uncertainty of returns have increased funding insecurity and established a system that does not promote strategic planning — to the detriment of value for money and achievement of climate goals.

Despite the limiting funding model in the net zero space, some authorities are taking action to try to overcome this. The London Borough of Barnet is leveraging its buying power to generate investment for sustainability activity, whilst the Marches Forward Partnership (a partnership of Herefordshire Council, Shropshire Council, Monmouthshire County Council and Powys County Council) seeks to bring new investment into its region.

Case study: EY Sustainable Sourcing: Invest and Involve Programme (SSIIP) and the London Borough of Barnet Council

In partnership with EY UK, the London Borough of Barnet has developed an innovative approach to leveraging its buying power through the proposed EY Sustainable Sourcing: Invest and Involve Programme (SSIIP).

The SSIIP model is a self-funding solution with no upfront cost for the Council, with limited risk and delivery costs materialising only as a small proportion of the revenue generated. SSIIP is applied to Council-run procurements, allowing bidders to 'opt-in' to the scheme. Bidders earn additional tender marks in return for offering a small discount on their tender price. The Council then uses these discounts to invest in net zero and wider sustainability priorities on behalf of its suppliers. The key benefit of SSIIP is its ability to aggregate funding from multiple suppliers, enabling the Council to deliver higher-impact schemes aligned with local priorities.

This is relevant for all councils, who run sourcing programmes using private sector contractors, with a significant time and cost impact. Applying concepts from SSIIP, councils can be more strategic with their selection of suppliers whose sustainability goals align to their own, build up funds to invest in net zero and potentially attract further external investment.

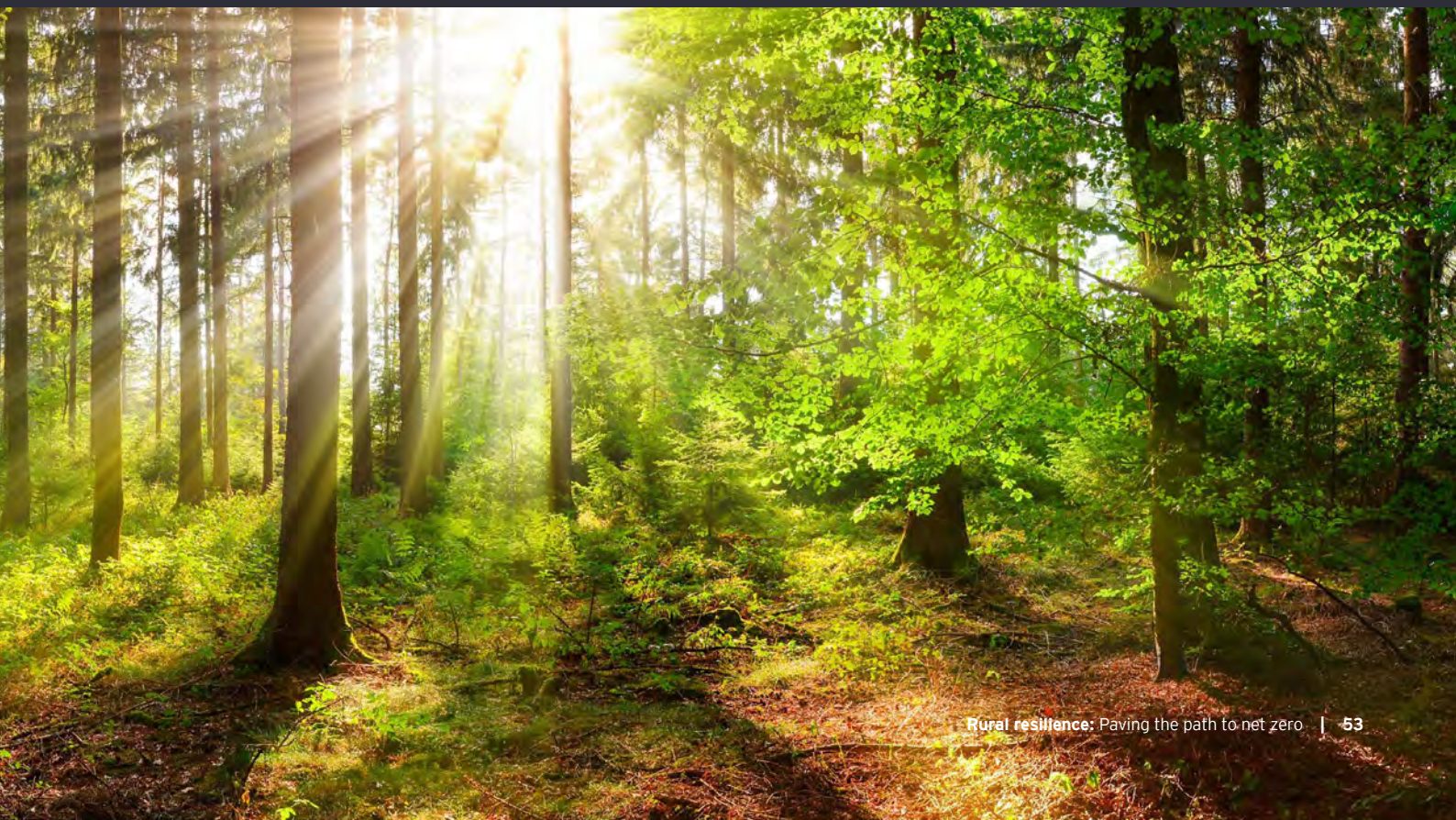
Case study: The Marches Forward Partnership

To bridge the funding gap, the Marches Forward Partnership brings together four local authorities on the English and Welsh border to collaborate, identifying common goals and challenges. Working through a flexible framework, the partnership works together to bring new investment into a region home to 750,000 people and a large rural economy.[71]

This innovative collaboration seeks to overcome barriers for communities and businesses, attract investment, and improve regional infrastructure. Already, it has secured a £3.25 million grant to enhance 5G reception,[72] and its Environment Investment zone aims to apply different environmental and economic regulations to boost rural productivity and level up between regions. It uses different sources and types of funding to encourage investment in long term programmes for environmental interventions.

This example highlights the benefits of rural areas working together for shared interests, rather than competing, in a way that can benefit the whole area in the long term. With agreement from the English and Welsh governments, the area can set local policies that impact their place. This is something that CCN members can consider working in partnership across councils and authorities with the right powers through devolution.

Others are forming strategic energy partnerships with the private sector to fill funding gaps and promote sustainable development, de-risking investment and providing stability for energy projects. An example of this is the Bristol Local Energy Action Partnership (LEAP) partnering with Ameresco a world- leading renewable energy company, to invest in Bristol City Council.



Case study: Ameresco Ltd and Bristol City LEAP

Through Bristol City LEAP, Ameresco Ltd invested £424 million in the city council, potentially generating £1 billion in further investment. The partnership aims to make the Council's operations carbon neutral by 2025 and retrofit social housing by 2030 to achieve net zero. This would save approximately 140,000 tonnes of CO_2 and deliver £61 million in social value.[73] Additional revenue can be generated by selling electricity, heat, and energy savings, creating 1,000 local jobs over five years.[74]

The Ameresco partnership is a first-of-a-kind example of a public-private partnership, and a blueprint for others to follow. CCN members, although facing different challenges to urban areas and cities, have local large employers within industry and transport, who they can partner with in similar ways to identify key challenges in their area and leverage opportunities for investment in projects that can reduce emissions, which are challenging for local authorities to reduce on their own.

A fragmented approach is failing to support collaboration and instead is driving a competitive environment

The fragmented approach among CCN members has significantly impeded their ability to achieve economies of scale. Without a unified strategy, local authorities often embark on isolated projects, which leads to duplicated efforts and inefficient allocation of resources. For instance, individual councils might independently develop similar initiatives aimed at reducing carbon emissions, but without coordination, they miss out on the cost savings that could be achieved through bulk purchasing, shared expertise, and collective bargaining power. This lack of cohesion not only increases the overall expenditure but also limits the potential impact of these initiatives, as they fail to leverage the combined strengths and capabilities of multiple councils.

Furthermore, the competitive grant application process exacerbates this fragmentation by fostering an environment where councils are pitted against each other for limited resources. Instead of collaborating to address common challenges, councils are forced to focus on their individual needs, often leading to smaller-scale projects with less sustainable outcomes. Local authorities often do not have the capacity or funding to formulate oven-ready projects for their pipeline, therefore when funding streams become available, areas cannot capitalise on this, miss out on the opportunity and/or funds are spent quickly.

This competitive dynamic undermines the potential for large-scale, long-term transformative projects that could drive significant progress towards net zero. With collaboration and coordinated planning, CCN members could pool their resources, share best practices, and develop comprehensive strategies that maximize the benefits of economies of scale, ultimately leading to more effective and efficient climate action.

Case study: 3Ci

The Cities Commission for Climate Investment (3Ci)[75] focuses on promoting partnership between the private sector and local authorities securing long-term finance for climate goals. They argue that primary barriers to investment are not from a lack of available finance but rather from the absence of long-term, robust business cases and investment models capable of achieving the changes required.

Leveraging the scale of cities and regions across the UK and using research to assess investment needs, 3Ci emphasises the importance of alignment with local government leaders to drive climate action, using their convening powers across government, community, industry and financial institutions to deliver these targeted nationwide investments. Funding was provided by the previous central government of £1.5 million to enable this initiative.

CCN members have a ready formed group with the CCN, who can play this convening role like what 3CI have for cities. With the right funding and devolution powers, collaboration and economies of scale can be achieved across rural counties and regions. Through this CCN members can seek to address broader similar challenges together and drive the widespread strategic changes required across borders, for example in the sector of transport.

Summary

To summarise, there are immense challenges more generally for the UK, but specifically for rural areas and CCN members in achieving net zero. CCN members have a lower reduction in emissions across key sectors like transport and agriculture that need to see greater reductions to achieve net zero. Current policies and disparities in funding between urban and rural areas have exasperated existing inequalities, with rural areas more disproportionately impacted by the effects of climate change.

This chapter outlines significant challenges faced by CCN members and rural areas in achieving net zero emissions. Key issues include a fragmented approach among councils, which impedes economies of scale and leads to duplicated efforts and inefficient resource allocation. The lack of funding and competitive grant application process further exacerbates this fragmentation by forcing councils to focus on individual needs, resulting in smaller-scale and less sustainable projects. Councils have the ability to bridge these funding gaps employing innovative solutions, such as seen with SSIIP and the potential with BNG credits, however these are only a small part of the overall solution.

The need for better collaboration and strategic planning among CCN members is emphasised. By pooling resources, sharing best practices, and developing comprehensive strategies, councils can achieve greater economies of scale and more effective climate action. Support from central government is crucial, with clear policies, targeted funding and strategic direction needed to enable CCN members to make a large-scale impact on the transition to net zero.

Case studies, such as the partnership between Bristol City LEAP and Ameresco Ltd, along with 3Ci, illustrate the potential to address these challenges – but there needs to be the flexibility, power, accountability and funds to meet the challenges outlined. These examples demonstrate how public-private partnerships and coordinated efforts can generate significant investments through new models, reduce emissions, and create local jobs. With government direction, CCN members leading, and community support, these challenges can be tackled head on to accelerate the transition towards net zero.

4

What changes are needed to really make a difference?

As place leaders across their areas, CCN members hold a key role in achieving net zero targets and delivering innovative solutions to drive real change across the country. This, however, needs to be recognised and supported by central government for counties to truly contribute and help deliver the transition to net zero. With better clarity on policies and evaluating the options for driving net zero progress, CCN members can have large scale impact.

What needs to change to accelerate the transition

The UK is committed to reaching net zero by 2050, but progress will only accelerate and be sustained if the transition is rooted in robust business cases that deliver clear economic and social benefits for communities, alongside climate goals.

What can CCN members offer?

CCN members are uniquely positioned to support central government in accelerating the transition to net zero emissions. 70% of land across the UK is used for agricultural purposes[76] and as already shown in this report, farming is one of the largest sources of emissions. CCN members possess invaluable local insights and expertise, enabling them to capture the unique specificities of their community's needs and strengths in the pursuit of achieving net zero. Their deep knowledge of local demographics, economic activities, and environmental conditions allows them to design and implement tailored sustainability initiatives that address the distinct challenges, leveraging the inherent strengths of their regions. By engaging with residents, businesses, and local organisations, CCN members can identify and prioritise actions that resonate with the community, ensuring widespread support and participation.

What changes are needed to really make a difference?

This localised approach not only enhances the effectiveness of emission reduction strategies but also fosters a sense of ownership and accountability among stakeholders. Through their deep-rooted connections and nuanced understanding of their communities, CCN members are well-equipped to drive impactful and sustainable change. This is echoed in the asks of government from the Country Land and Business Association (CLA) who state that decisions about the countryside should be made by those who have an understanding of that countryside to truly unleash the full potential of rural economic growth.[77]

Not only do CCN members have essential local knowledge and local relationships, but they are also key to helping the new government deliver primarily on five missions within their manifesto, especially in relation to Britain becoming a clean energy superpower. Rural areas often have the space and natural resources needed for renewable energy projects, but we know that there is concern from the public about the impact that this could have on rural landscapes increasing the need for meaningful engagement.

There is a need for immediate action, but there is a risk that the current agenda to deliver devolution and local government reorganisation could cloud efforts to deliver net zero initiatives. Whilst enhanced devolution is important, this will take time to deliver, and it is essential that the Government provides strong leadership, support and funding to councils that allows them to act now. We believe that the Government should turbocharge the powers and funding for net zero to all councils now, regardless of devolution status. Failure to do so could exacerbate the urban-rural net zero divide that has prevailed to date.

Recommendations for CCN members

The current cost of inaction on decarbonisation for the UK economy is estimated to reach 3.3% of GDP by 2050 and this will continue to rise.[78] Whilst recognising that councils are focusing on making shorter term decisions for survival, the longer it is left to act, the greater the costs add up. Rural communities are particularly vulnerable to climate risks, with a reduction in arable land due to drier conditions potentially halving agriculture's contribution to UK GDP if current strategies are followed. This impact can be halved with mitigation strategies if taken immediately.[79,80] CCN members account for 90% of agriculture emissions in England, 12% of overall UK emissions, with influenceable emissions reducing by only 15% over the last 10 years. Transport emissions are similarly high in CCN member areas, accounting for 59% of overall emissions in 2022, and only reducing by 10.3% in CCN areas over a decade.

As noted earlier, emission reductions in these sectors are further hindered by the regional disparities in investment and infrastructure and the failure of national planning policy to improve accessibility to local public transport. Emissions such as these need to reduce drastically and CCN members in influencing this, will play a critical role in the UK's decarbonisation journey. Our recommendations aim to establish the foundations for CCN members to successfully fulfil this convening role.

Increasingly, solutions are being developed to support credible climate action within a cost-constrained environment. This report highlights some of these innovative approaches to demonstrate how local authorities are enabling decarbonisation while meeting statutory demands.

Councils are already proving that credible climate action can be delivered in a cost-constrained environment when projects are sequenced by economic and social return. Building on proven approaches, the recommendations below focus on mechanisms that hard-wire jobs, resilience and improved health outcomes into every intervention.

CCN Members Recommendation 1: **Strategy/Plan: Optimise green transition strategies and plans.**

CCN members will be at different points in their net zero journey with some further ahead than others. Regardless of their starting point, many will have, or be in the process of, preparing strategies that set out their organisational priorities and plans to meet net zero. For those that do not, this report sets out a proposed method in the Appendix.

We recommend a standardised and transparent approach to net zero planning. By adopting common frameworks and clear metrics, councils can make it easier to compare progress, allocate resources effectively, and align with both national and regional priorities.

As authorities take a place-based approach to delivering their services, adopting a whole-systems approach to net zero offers the opportunity to enhance existing strategy, planning and decision-making to not only drive towards net zero targets, but to offer more holistic solutions that deliver a greater and more meaningful impact within communities.

This can be achieved by embedding net zero considerations into decision-making that enables authorities to assess how policies and practice will impact efforts to deliver net zero and reduce the impacts of climate change. It would help authorities to encourage behaviour change from within and increase awareness of the impact that decisions will have on net zero efforts. This is similar to the approach adopted at Cornwall Council which has helped to break down silos and foster collaborative thinking through a place-based lens.

Regularly reviewing and updating plans ensures they remain relevant, actionable, and responsive to changing local needs and opportunities. Sharing progress openly supports benchmarking, attracts investment, and helps identify what works best across different communities.

As well as being important for all councils to have a clear direction and a comprehensive plan with well-defined goals and objectives to drive net zero activities, it is recommended that this net zero plan is embedded within existing documents and strategies. This would include the Local Growth Plans and Strategic Development Strategies proposed in the English Devolution and Community Empowerment Bill, as well as others that are place-based and spatial.

Examples provided in the appendix of Cheshire East's plan, or an integrated plan such as in Hertfordshire, show good work that is being done and can be used as a reference for others to follow, see the Appendix.

What changes are needed to really make a difference?

CCN Members Recommendation 2:
Business case: Ground climate policies in a strong business case.

Policies should clearly demonstrate economic and social benefits to secure citizen support and build momentum for climate action. This includes linking net zero and adaptation measures to tangible outcomes such as job creation, economic resilience, and community wellbeing.

Use a business-case scorecard approach – covering jobs, cost savings, resilience, and health – to select and sequence projects. Business cases should capture all key performance indicators (KPIs) and outcomes. This means that business cases can then be converted easily to align with Monitoring and Evaluation Frameworks that can be overseen externally by a credible accreditation body.

Focus on initiatives that deliver clear, measurable benefits for rural communities, and co-design delivery with residents and local businesses to build support and momentum.

CCN Members Recommendation 3:
Innovation: Leverage innovation, partnerships, and funding models

CCN members have an opportunity to leverage successful initiatives from across the UK and beyond – adapting and scaling them within their own county areas. By working together, councils can accelerate progress, attract investment, and ensure that every region has the chance to thrive in a low-carbon future.

Building on this, CCN members can leverage some of the initiatives already being launched by other local authorities and apply them where relevant in their own areas. This report has identified three main areas that CCN members could consider:

01. **Leveraging environmental protection to create funding streams**

Biodiversity net gain (BNG) is a mandatory requirement aimed at protecting wildlife habitats during the development of buildings or other infrastructure. It makes sure that a developer will leave an environment with 10% more, or better quality, natural habitat than before development. If developers cannot do this on-site or with a mixture of on-site and off-site measures, they may purchase statutory biodiversity credits from the government. Land managers can sell on the BNG market, allowing CCN member areas to leverage their natural assets. Pilot schemes such as in the West Midlands, and research from the University of Oxford, demonstrate how environmental protection could be transformed into a source of revenue through BNG credits but it will take time and resources for all councils to develop such schemes.

02. **Adopting new funding mechanisms to support and enhance buying power**

There is ambition across the UK to develop new funding sources and mechanisms to address the net zero funding gap, generated through the existing fragmented funding system. These new initiatives are replicable and could be considered by CCN members following their pilot launch. CCN members should remain updated on the success of these prospective initiatives, examples of which include, the London Borough

of Barnet's Sustainable Sourcing: Invest and Involve Programme (SSIIP), which demonstrates the potential of rethinking funding mechanisms to generate a source of funding for sustainable projects. This is currently under development but hopes to launch soon. More cases can be found in the appendix such as the South West Net Zero Hub Virtual Power Purchase Agreement (PPA). Organisations like LENs (Landscape Enterprise Networks) also showcase a number of inspiring case studies online. Their work focusses on collaboration across shared landscapes and has delivered £24m+ since 2021 for regenerative agriculture and nature-based solutions (e.g. Cumbria, East of England, Yorkshire). Outcomes related to shared land management include mitigating flood risk, improved crop resilience, improved water quality — all of which would be difficult to achieve in isolation.

03. Developing strategic partnerships

Strategic partnerships between CCN members and private sector bodies are a means of accelerating green investment into areas and realising projects that may otherwise be difficult to undertake. Examples of this have been demonstrated through Bristol City's Local Area Energy Partnership (LEAP), a partnership between Bristol City Council and Ameresco Ltd, and Coventry City Council's Strategic Energy Partnership (SEP) with E.ON. These highlight the importance of creating investment-friendly environments to attract private sector contributions. CCN members should consider whether there are best practice examples they could replicate in their region.

CCN Members Recommendation 4:
Collaboration: Promote collaboration and community engagement.

Rural progress toward net zero will depend on strong collaboration — between councils, investors, and communities alike. CCN members should continue to build platforms that share best practice, influence decision-making, and use their collective scale to deliver greater impact.

Platforms that facilitate collaboration between CCN members and wider stakeholders (especially investors) enable the sharing of best practices, lessons learned, and upcoming initiatives to help net-zero efforts have an effective impact. The regional Net Zero Hubs, the Local Government Association, UK100, ADEPT and CCN are existing examples. Similarly, CCN members should explore developing new collaboration opportunities that can use their collective influence to redirect decision-making power that impacts their land. By forming strategic, collaborative groups, they can leverage their buying power and benefit from economies of scale for initiatives such as power-purchase agreements (PPAs) (see appendix for case study). Additionally, they can gain increased control over key priorities of external stakeholders. For example, from the perspective of electricity generation and storage, the main restriction on investment and storage opportunities in the UK is the National Grid's capacity. For the National Grid to implement its upgrade, it will rely on CCN members to permit access for re-cabling across their areas, providing an opportunity for CCN members to align on strategic objectives and negotiate for connectivity to upgrades.

What changes are needed to really make a difference?

This report has mentioned the inequalities and inequities that exist between urban and rural areas. However, the transition to net zero requires a symbiotic relationship between these areas. Urban areas, with their dense populations and high energy demands, can benefit from the renewable energy resources and carbon sequestration potential of rural areas. Conversely, rural areas can gain from the technological advancements, financial investments, and policy support often concentrated in urban centres. This mutuality ensures a balanced approach where both regions contribute to and benefit from the transition, fostering sustainable development and resilience.

Finally, CCN members should use their collective voice to influence national policy and funding frameworks so that they better reflect rural realities and unlock resources for collaborative delivery.

Recommendations for Central Government

Central Government cannot achieve the ambitious net zero targets that they have set on their own. As Andrew Haldane, Chair of the Levelling Up Advisory Council and former Chief Economist at the Bank of England, stated at the CCN conference 'there is no hope of achieving the national growth mission if it is not delivered from the bottom up.[81] There needs to be well designed and purposefully delivered local growth plans and CCN members are paramount to this'.

Central Government Recommendation 1: **Coherance: Provide clear, joined-up strategy and policy direction**

Currently, there is a lack of clarity and alignment regarding the responsibilities of different government departments, even when they have shared goals, meaning that climate strategy is not always created in a coordinated manner. This fragmented landscape and the complexities of coordinating policies across different sectors have led to siloed actions on the net-zero agenda, creating overlapping regulations, duplicated effort and competition for internal resources. A more integrated "whole-of-government" approach is required if net-zero and wider resilience objectives are to be achieved efficiently and fairly.

This is evident in the strategic plans for decarbonisation, where a lack of strategic alignment has meant that responsibilities are unclear and targets are subsequently not efficiently met. The result is slower delivery and limited clarity on long-term direction for local partners. Local councils need to be encouraged and incentivised to meet net-zero targets in ways that also deliver economic growth, job creation and community wellbeing.

For example, the focus areas of central government departments such as the Department for Energy Security and Net Zero (DESNZ) and the Department for Levelling Up, Housing and Communities (DLUHC) are distinct from one another, with DESNZ being more focused on energy transition and DLUHC adopting a more housing- and community-focused

What changes are needed to really make a difference?

approach. It is often assumed that rural policymaking is the preserve of DEFRA; however, in reality, DEFRA does not have all the policy levers to generate economic growth in the countryside,[82] but has been instrumental in leading efforts around nature recovery, the environment and land use, with the recently published National Land Use Framework.

The net-zero goals of each of these departments have intersections that would benefit from a more collaborative approach to support the achievement of joint goals instead of working in a counter-productive, siloed manner. Cross-departmental alignment should explicitly link climate action with economic and social outcomes, ensuring that policies are mutually reinforcing across energy, transport, housing, skills and environment. Alignment of departments is crucial to ensure that strategies are cohesive, promoting a whole-of-government approach to combine actions that are complementary and mutually reinforcing.

As the All-Party Parliamentary Group (APPG) on the Rural Powerhouse noted in its 2022 report Levelling Up the Rural Economy, many challenges could be addressed through simple policy change.[83]

As key implementers of government policy, it is essential that national policy is co-designed with local government. With a clear strategy setting the framework for meeting net zero — underpinned by strong inter-departmental coordination and a shared understanding of local economic realities — and with strong partnerships between central and local government, CCN members can more effectively set and lead the transition in their areas and deliver their local net-zero plans.

Central Government Recommendation 2: **Support: Show strong leadership while supporting local ambition.**

National leadership is vital but this must be balanced with local autonomy, enabling local authorities to set the pace and priorities for climate action.

The government should provide a coherent and ambitious direction for net zero, while recognising that local authorities are best placed to understand the needs and opportunities within their communities. Through Local Government Reorganisation, many County Authorities will gain further day to day planning powers from Districts which could be of significant value to resilience interventions.

This means supporting local ambition, allowing councils to tailor solutions to local circumstances, such that net zero is delivered alongside other key agendas such as devolution and local government reform.

Delivery should be sequenced to maximise local economic and social value — such as jobs, resilience, and health — with central government backing local

business cases and removing barriers (e.g., data access, approvals).

By trusting and empowering local authorities, government can unlock innovation, build public support so that climate action delivers tangible benefits for people and places.

Central Government Recommendation 3: **Empower: Empower delivery at the local level**

As the landscape of rural Local Government is changing through devolution and LGR, there is an opportunity to work more closely with local leaders to support their delivery of the green transition.

Similar to the integrated settlement approach deployed for Combined Authorities, funding could be provided for net zero delivery that gives local leaders autonomy — helping them deliver projects that leverage local strengths and needs. When evidenced by a strong business case, delivery should be empowered, not restricted.

What changes are needed to really make a difference?

Central Government Recommendation 4:
Funding: Reform funding to enable long-term, needs-based investment

As noted within this report, core funding is scarcely sufficient to cover essential local services, with a projected cumulative £54bn funding gap for CCN members between 2024 and 2029.[84] With CCN members spending an average of 69% of their budgets on adults and children's services, up from 63% ten years earlier, we are seeing the possibility that CCN members authorities will be little more than care authorities by the end of the decade.

For them to be able to support the delivery of the ambitious net zero targets set by central government and drive the change required, core funding needs to be sufficient to give councils' the necessary headroom and distributed in a fair way that recognises the different challenges and needs of rural areas and the acute inequalities and inequities that exist. Alongside this, grant funding in the net zero space should be reviewed. 95% of councils have little or no confidence that the current approach to achieving net zero in a fair and inclusive way and this needs to change.[85]

As stated earlier, 90% of local authorities do not think that current financial streams are adequate to deliver net zero by 2050.[86] The short-term nature of the funding inhibits local authorities' ability to make long-term climate decisions, with an application process that is competitive, costly and can inadvertently favour those with greater resources. It can often favour urban areas that can deliver economies of scale and show greater economic return, who have the resources, and a pipeline of projects, leaving rural areas even further behind. Grant funding can also often be small scale and one off, where instead there is a need for long-term strategic funding to deliver action in this area.

There are a number of routes through which increased funding could be provided and should be considered. To begin with, central government should strive to provide CCN members with adequate resources to fulfil their statutory obligations regarding adult and children's social care, while also allowing for additional funding to invest in other critical areas like net zero initiatives. Acknowledging the extra costs associated with delivering services in rural regions in future local government finance settlements would significantly assist CCN members in achieving this goal.

There needs to be a move away from short-term, competitive grants towards predictable, flexible funding that recognises the higher costs and unique challenges faced by rural areas, and that rewards projects with clear economic and social benefits as well as emissions impact.

The current funding model is fragmented and often disadvantages rural areas, making it difficult for councils to plan and deliver effectively.

Funding for net zero must be reformed to prioritise long-term, needs-based investment in projects

that deliver clear economic and social benefits for communities, not just emissions reductions.

This could include multi-year settlements, streamlined grant schemes, and a focus on outcomes rather than process.

By providing councils with the financial certainty and flexibility they need, government can unlock public and private investment, drive innovation, and ensure every community benefits from the transition to a fairer, more resilient low-carbon economy.

Central Government Recommendation 5: **Unlock Scale: Foster collaboration and shared learning**

Establish frameworks for collaboration between CCN members, central government, and key stakeholders to share best practice, pool resources, and co-design complimentary and tailored solutions that work for urban and rural areas.

Amplify joint procurement groups and shared investment vehicles to unlock economies of scale, reduce delivery risk, and accelerate progress.

Promote open data and transparent reporting to enable benchmarking and collective learning so that successful approaches are rapidly replicated across the network.

To maximise impact, encourage local authorities to come together on a larger strategic geography to:

- Collaborate on natural capital and environmental opportunities and challenges
- Enable councils to undertake more cost-effective joint projects that would be costly or unfeasible for individual councils, but become viable and beneficial when shared across a broader group.

By collaborating, CCN members can undertake more cost-effective joint projects that would be costly and unfeasible for individual councils but become economically viable and beneficial to overall climate goals when shared across a broader group. The Marches Forward, a flexible framework between four local authorities on the English and Welsh border, exemplifies this approach by uniting local authorities to bring new private sector investment into the region, using a flexible framework recognising differences in economic and environment policy between areas. By working together, local authorities can break down barriers to investment and behaviour change in their areas and make the most of natural assets which cut across boundaries.

The current lack of inclusion of local voices and interests in policy and strategy setting has created a lack of alignment between local and central goals, to the detriment of effective net zero outcomes. An example of this is seen in the boundary flows between energy generation in the rural north of the UK and demand mostly in the urban south, as well as the Department for Energy Security and Net Zero's (DESNZ) framework for balancing the two.[87] This scheme targets urban areas well but does not suit the predominantly rural CCN council areas' needs. Priorities that are currently poorly represented include the decarbonisation of agriculture, which impacts 70% of the land in the UK, yet it lacks a specific framework or strategy.[88]

What changes are needed to really make a difference?

The Local Net Zero Forum was set up in 2022 with the intention of bringing together local and national government to discuss net zero approaches. However, with just one minister attending the forum in 2023,[89] there are thoughts that government is not serious enough about addressing the challenges faced by CCN members. In December 2024, the Department of Net Zero and Energy Security announced that it was relaunching the Net Zero Council, with the aim of deepening the partnership between government, the private sector, civil society and local authorities to support plans to accelerate net zero across the economy.

Consideration should be made in relation to strengthening this forum by including other key government departments, setting stronger objectives and collaborating with local government to co-design national policy, discuss devolution and share best practice. Membership of the Council should also be widened to include numerous representatives from across the local government family to ensure maximum representation and to allow for better influence and co-design of national policy to lead to more effective outcomes.

Overall, promoting co-design and co-development within a framework to achieve nationally set climate goals would prevent competition, reduce duplication, and conserve resources for CCN members and the government. Without this, it will be increasingly difficult to meet national climate change targets especially as the current challenges will likely continue without collaboration and reform.

How can everyone support?

Everyone has a role in the transition to net zero, not just CCN members and central government. As outlined in this report, policy, technology, citizens, finance and business all play a part in the transition to a new economy model where place-based decisions are made with consideration to wider impacts.

Individuals need to agree and understand these recommendations and the extent to which their councils can influence and impact net zero, across the different sectors. Councils are seen as community leaders but due to capacity and funding constraints they often need to prioritise short-term statutory services. Everyone has the power through education and collaboration to identify funding, grants, and subsidies that support emissions reduction in their homes and communities – actions that also lower bills, improve comfort, and strengthen local economies.

Businesses, particularly small and medium-sized enterprises, play a critical role in accelerating momentum, creating skilled jobs, and building confidence in a regenerative and competitive low-carbon economy. Achieving the change needed is a long-term project but the short-term policies and strategies being set now will define the future economic state.

However, whilst there is hope in this new economic thinking and science, translating this into action needs intentional and collaborative effort. Every member of the community can provide substantial

support to their local government's efforts in achieving net zero emissions. Collective community engagement not only amplifies the impact of individual actions but also fosters a culture of sustainability and resilience, ultimately contributing to a healthier and more sustainable future for all. Communities can contribute in the following ways:

Support green technologies: Mitigate the effects of human activity on the environment by using electric vehicles, green energy providers, invest in energy efficient appliances to reduce energy consumption and purchase sustainable products.

Prioritise social equity: A cultural shift towards inclusivity and equity ensures that the benefits of the transition to net zero are shared fairly across society — particularly supporting rural households and small businesses to access funding and opportunities. It addresses the needs of vulnerable and marginalised communities, preventing them from being disproportionately affected by climate policies.

Embracing circular economy principles: This involves the adoption of practices that minimise waste, extend product lifecycles and promote the efficient use of resources. This can be done through prioritising quality over quantity, reusing or repurposing goods, composting, buying second-hand goods, recycling, maintaining or repairing goods.

Policy advocacy: Individuals and communities have the power to influence the creation and implementation of policies that promote environmental stewardship and economic resilience. They need to understand challenges that councils face and communicate what their priorities are in the community and vote for green policies. Their collective actions, voices, and advocacy efforts can drive meaningful change and ensure that policies reflect the needs and values of the people they serve.

Lifestyle changes: The way in which everyone lives has an impact on the environment and individuals can make small or large changes that can compound if made by many individuals and households.

What changes are needed to really make a difference?

Change diets and food habits: Measures include reducing consumption of meat, a financial saving measure, or shopping at local farms and reducing use of plastic, a more costly measure, but ones which support local businesses in the form of a circular economy, and the natural environment.

01. **Conserve electricity and water usage**: Reducing usage of electricity and choosing to use non-essential items at non-peak times or not at all, such as washing machines and dryers, can reduce household costs and divert electricity at peak times to areas where it is most needed. Moving to a water meter, and conserving water by reducing the temperature, particularly at peak times of the year in summer, with droughts experienced in areas of the south, can have a similar effect.

02. **Make sustainable financial decisions**: Choose banks and financial institutions that prioritise sustainability and offer green financial products and ensure pensions are not invested in the fossil fuel industry. Individuals can also look to make sure any investments are in companies with strong environmental, social and governance practices that are committed to reducing their carbon footprint.

03. **Be active**: Undertaking some form of physical activity each week improves all forms of health, reduces the likelihood of needing to rely on healthcare services, and can increase social interaction through a sense of community. Being outdoors has similar synergistic effects.

04. **Switch to sustainable transportation**. Example, switch to an electric or hybrid vehicle, use public transportation where feasible, or even take the opportunity to combine exercise with commuting in what is known as an "active commute".

Communities are essential in achieving net zero emissions because they are the foundation for local action, innovation, and engagement. By working together, they can provide an example of behaviour for others to follow, work together to achieve outcomes they could not achieve individually, or scale the outcomes that they could individually, or as one community. CCN members should harness their communities and foster a sense of collective responsibility.

With these individual actions in mind, CCN members play a crucial leadership role in the guidance and support to their communities to foster a collective effort to create a more resilient and sustainable future. They are responsible for delivering a sustainable future for generations to come:

Support: Individuals and communities cannot be expected to take meaningful action against climate change without support and guidance from their local council. Reports of climate anxiety has grown over the last few years with google queries related to 'climate anxiety' 27 times higher in October 2023

than 2017,[90] and 70% of young people worried about climate change and its effects.[91] In parallel with this, the eagerness of the younger generation to address the issues of climate change is growing but the challenge lies in the lack of clarity on actionable steps. CCN members can support their communities and build awareness, understanding the skills necessary for change to be made. Knowledge can equip individuals with the tools to make sustainable changes in their daily lives and help shift their attitudes and behaviour towards sustainability and beneficial changes in lifestyle choices.

This support and guidance can be provided through community workshops, town hall meetings and forums that discuss sustainability, climate change and action plans. Communities can also be encouraged to participate in sustainability initiatives and projects, e.g., local clean up events, tree planting. CCN members can support their communities through:

Leading by example: With a clear net zero plan, CCN members can communicate their place-based vision and commitment to combatting climate change. By implementing sustainable practices within their own operations, setting ambitious targets and demonstrating the benefits of a low carbon future, CCN members can lead by example. They can also provide greater transparency and accountability through regularly reporting on progress towards net zero goals, communicating achievements and areas for improvement.

Promoting collaboration and partnerships: CCN members are well versed in bringing together different parties and stakeholders with a shared goal. This should be no different in their net zero role. CCN members can collaborate with other public sector organisations and the private sector to share best practices and resources. They can also utilise some of the innovative examples shared within this report and establish public-private partnerships to leverage expertise and funding for large-scale sustainability projects.

The role of CCN members in achieving the UK's net zero targets cannot be overstated. Together, through coordinated action and shared responsibility, CCN members, central government, the private sector, and communities can accelerate the transition to a sustainable, net-zero future — ensuring that rural areas share fully in the jobs, growth, and wellbeing benefits of decarbonisation.

5 Conclusion

The journey towards a sustainable future is a collective endeavour – one that requires the commitment and collaboration of CCN members, central government, the private sector, and communities across the country. This report has shown that the transition to a low-carbon future is not just an environmental imperative, but a unique opportunity to deliver real economic and social value for rural areas and the nation as a whole.

CCN members are at the forefront of this transition. By embedding sustainability into every aspect of decision-making, developing transparent and consistent strategies, leveraging innovation and partnerships, and engaging communities as active partners, councils can ensure that climate action delivers tangible benefits – creating jobs, supporting local businesses, improving public health, and building resilience for the future.

Our recommendations provide a practical roadmap for action, calling for:

01. Clear, joined-up strategy and policy direction from central government,

02. Strong leadership that empowers local ambition,

03. Adequate support for local authorities,

04. Reformed funding that enables long-term investment,

05. And a relentless focus on business-case-led projects that secure citizen support.

Conclusion

For CCN members, the focus must be on practical delivery – prioritising initiatives that drive economic growth and community wellbeing so that every resident and business can share in the benefits of a greener economy.

The transition will not be without challenges. But by working together (across government, business, and civil society) and by keeping the needs and aspirations of rural communities at the heart of every decision, we can accelerate progress and ensure that no area is left behind. The actions we take now will define the future for generations to come.

Together, with coordinated action and shared responsibility, CCN members, central government, the private sector, and the community at large can accelerate the transition to a sustainable, net zero future. By focusing on what works for people and places, and by supporting local leadership and business-case-driven approaches, we can ensure that rural areas contribute significantly to the UK's climate goals, while also reaping the benefits of a fairer, healthier, and more prosperous economy.

6 Appendix

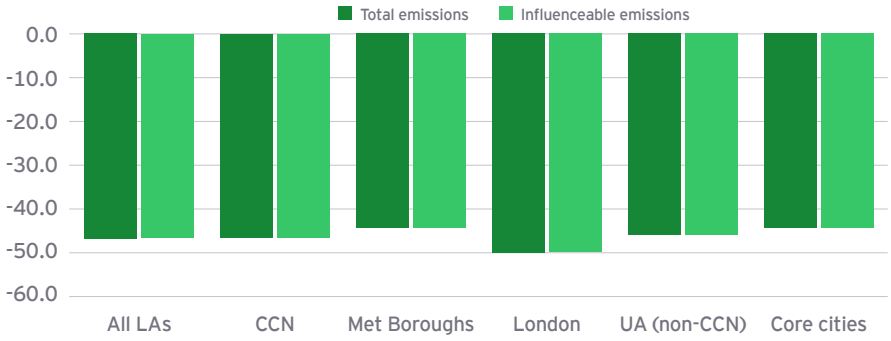
Further data and case studies

This section demonstrates the progress of CCN members towards net zero, showcasing some member's plans, how they are adapting to climate change, and working with other organisations within their area. Further case studies are also provided where EY UK have partnered with cities to reduce emissions. CCN members can take further inspiration from these case studies in their own efforts towards net zero.

CCN member progress to net zero

Despite lagging in overall emissions reductions, CCN members have made significant progress in reducing emissions across those sectors where emissions are 100% influenceable. Public sector emission reductions outperform Metropolitan Boroughs and Core-Cities as observed in Figure 21, suggesting that policies by councils such as the movement to non-fossil fuel power for buildings has made an impact.

Figure 22 — Change in influenceable public sector emissions in England 2012-2022

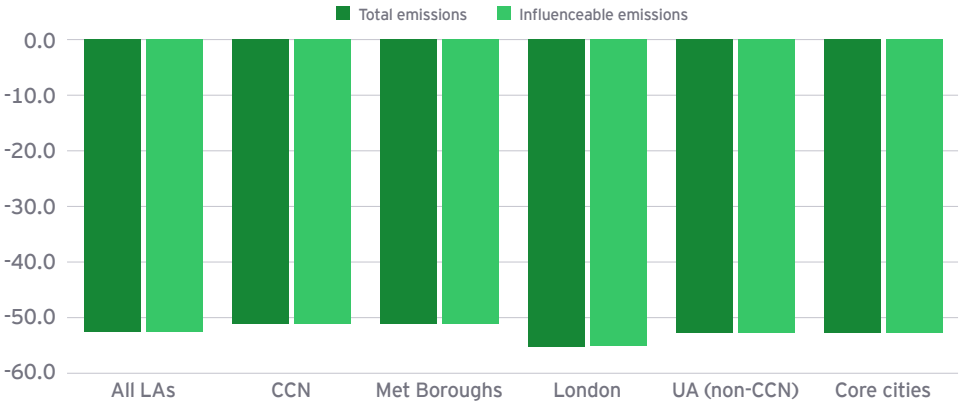


Source: GOV.UK, 2024

Appendix

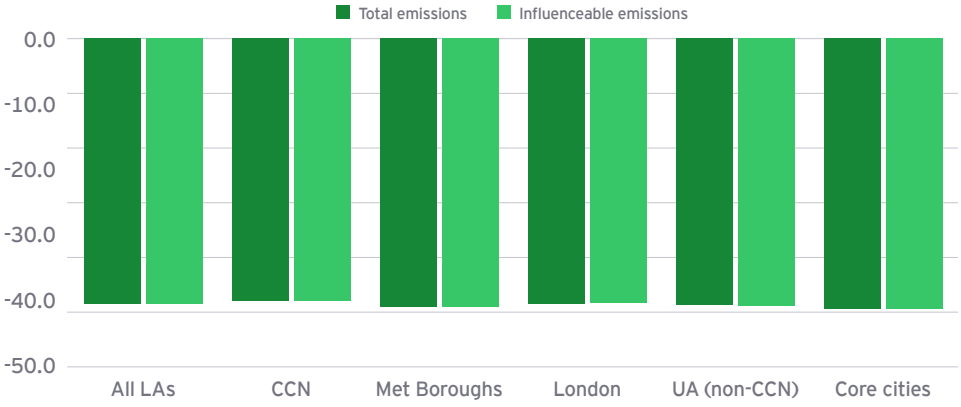
Although smaller reductions, and slightly below the local authority average, commercial and domestic reductions are also significant for CCN members. For commercial emissions (Figure 22), reductions outperform metropolitan boroughs but are less than other local authority types. For domestic emissions (Figure 23) CCN members are slightly lower than other local authorities but closer than other sectors.

Figure 23 – Change in influenceable commercial sector emissions in England 2012-2022



Source: GOV.UK, 2024

Figure 24 – Change in influenceable domestic sector emissions in England 2012-2022



Source: GOV.UK, 2024

All three of these sector emissions are 100% influenceable and the progress made illustrates that, despite a variety of challenges, CCN members are committed to net zero and have actioned where they can at pace. There is an argument that with greater funding, support, and direction to address key challenges, that CCN members have a lot to offer in further accelerating progress.

CCN members driving the net zero agenda

Several CCN members have led the way in driving the net zero agenda with their own council action plans, which set specific targets, and a roadmap to get there. They recognise that councils cannot do it alone, but must be the leaders, undertaking detailed analysis and acknowledging the interconnectivity between community, environment, and local economy. Many provide clear updates that hold the councils accountable towards their goals, in what is an ever-evolving landscape.

Case study: Cheshire East

In May 2019, Cheshire East Council proclaimed a climate crisis, with a target carbon neutral date of 2025, the most ambitious date in the country. Acknowledging the challenging nature of this goal, the Council has brought real focus to the issue, mobilising staff, councillors, suppliers and partners to drive action through a detailed action plan published in January 2024[92] which sets out key goals to reduce emissions in each of the sectors within the councils' control. The latest pathway for the Council shows an estimated carbon neutral date of 2027, a two-year delay from the initial commitment. Cheshire East does, however, remain an established leader in its environmental commitments, showing the power of bold and courageous action, with a robust plan, and a compelling future vision to deliver ambitious change.

Action plans are also spanning beyond just local county council plans, across both tiers in a two-tier system recognising that greater change and economies of scale can be achieved by working across borders and that different levels of system can have a unique impact.

Appendix

Case study: Hertfordshire Climate Change and Sustainability Partnership

The Hertfordshire Climate Change and Sustainability Partnership (of which Hertfordshire County Council is a key member) is a strategic group consisting of all ten district and borough councils, the county council, and Hertfordshire Futures, which has moved under the county councils remit after successful devolution. By joining together to tackle wider issues outside of the direct control of each individual authority, the partnership is working collaboratively to deliver climate change action and address the carbon reduction targets for Hertfordshire and to achieve lasting change.

Strategic action plans are held for all priorities to be delivered with partners, including water, sustainability, biodiversity, carbon reduction and transport.[93] Annual performance reports are also published with regular updates to each standalone plan for priority areas. The partnership recognises the key role of behavioural change and through the Hertfordshire Growth Hub, supports SMEs in becoming more sustainable, which is crucial in rural areas where small businesses make up a greater proportion.

Case study: South Gloucestershire ICaN

South Gloucestershire has launched the ICaN initiative, a strategic investment in climate and nature, leveraging an initial collection of 13 council-owned sites. The initiative aims to enhance natural capital value over 15 years by implementing site improvement plans and establishing a sustainable maintenance budget. Enhancements are driven by setting a foundational cost for targeted improvements across areas, including air quality, flood, climate resilience and biodiversity, and physical and mental health. The projected social value uplift over the 15 years is estimated to exceed £12 million, with the potential carbon credit value approaching £5,000. These gains are attributed to enhancing green spaces, fostering biodiversity through habitat restoration and promoting physical and mental well-being by providing access to improved natural areas, alongside reducing pollution.

A key example of this can be seen in the improvement in the Warmley Nature Action Zone (NAZ), with key initiatives including creating edible forests, upgrading footpaths, planting native bulbs, establishing avenue trees, and developing flowering lawns. These activities are spread across eight public open spaces and five residential garden areas within the zone. In Warmley alone, the ecosystem service provision is expected to surge by nearly £7 million over 15 years, a 37% increase. The most significant relative gains are anticipated in physical and mental health benefits, projected to rise by 42%. Recreation and physical health are forecasted to constitute 86% of the projected benefits.

Appendix

Climate Adaptation and proactive resilience

Case study: Surrey Adapt

CCN members recognise that reversing all climate change is an impossibility and climate change adaptation needs to take place. Surrey County Council is proactively joining forces with partners to drive a unified approach.[94] 'Surrey Adapt' acknowledges the urgent need to address escalating climate challenges that could affect infrastructure, economic vitality, and community wellbeing. This strategic blueprint articulates Surrey's comprehensive approach to adapt to the impacts, risks, and opportunities presented by climate change, structured around three core objectives and nine priority programmes.

These programmes represent the essential areas where Surrey County Council and its allies are committed to investing resources, with each programme evolving into detailed action plans. Inspired by national and international best practices, these programmes have been established through collaboration with key stakeholders to drive a progressive approach to climate adaptation. The overarching ambition of Surrey Adapt is to foster greater resilience and proactive preparedness within communities, with particular emphasis on nurturing the ecosystem, fortifying infrastructure, and bolstering the local economy.

Case study: Yorkshire and Humber Climate Commission

The Yorkshire and Humber Climate Commission[95] is a regional body established to tackle climate change by promoting and implementing strategies for reducing carbon emissions and enhancing climate resilience across the Yorkshire and Humber region. As an independent advisory group, it brings together representatives from the public, private and third sectors, and academia to collaborate on climate action. The commission's role is to provide guidance, monitor progress and drive ambitious climate policies, leveraging the collective expertise and influence of its members to foster a sustainable and inclusive transition towards a low-carbon economy in the region. Its establishment underscores the region's commitment to addressing environmental challenges and pursuing a greener future.

The existence and success of these independent and apolitical bodies highlight a market opportunity for collaboration. Not being centrally mandated, these partnerships enjoy greater autonomy and flexibility, which likely contributes to their effectiveness. Their ability to operate with more freedom allows them to tailor their strategies to their regions' unique needs and strengths, fostering innovation and more dynamic economic development that resonates with the local stakeholders they represent. However, these partnerships and advocacy bodies may need to contend with some barriers, which may require policy, regulation or other levers achieved through devolution. These partnerships, whilst geared to mitigation and nature recovery are used as a tool for collaboration and are to combine with wider net-zero opportunities.

Appendix

Sustainable sourcing

Case study: Virtual Power Purchase Agreement – Plymouth Council and EY UK

Plymouth City Council, in collaboration with Plymouth Energy Community, entered into a Virtual Power Purchase Agreement (VPPA) for electricity generated by a new solar farm on an old landfill site. This innovative project, aimed at achieving net zero carbon emissions, will generate approximately 13 GWh of renewable energy annually, covering more than 50% of the council's electricity needs.[96] The VPPA provides long-term price stability for the council's electricity bills and guarantees income for the solar farm, contributing significantly to Plymouth's climate goals by saving around 3,330 tonnes of carbon annually.

EY provides market leading global PPA services and supported Plymouth City Council to understand the risks and opportunities associated with the VPPA, and to secure confidence over the appropriate Power Purchase Agreement (PPA) price that the renewable energy could be sold for. The South-West Net Zero Hub has also published a Synthetic PPA Toolkit to help Local Authorities undertake similar projects. This example highlights how local councils can leverage innovative financial models to support renewable energy projects, and a willingness to share the approach for others to follow.

Case study: Coventry City Council and EON

Through collaboration with EY UK, Coventry City Council has joined forces with EON to launch a pioneering 15-year Strategic Energy Partnership (SEP). The collaboration aims to revolutionise energy use in Coventry to benefit local people, the wider economy and the environment by undertaking a more holistic approach to decarbonising the city. Built from Coventry's Climate Change Strategy and accompanying Net Zero Route Map, the SEP aims to support the development of a long-term planning and investment schedule to decarbonise the city through a wide range of environmental and social projects, delivering on all the One Coventry Plan priorities, de-risking investment and supporting the development of targeted grant funding to support upgrades, installations, and apprenticeships locally. The aim is to provide clean local energy, new jobs, and skills for local people, bringing innovation to the area to benefit the wider community.[97] Skills and training also apply to rural areas in the green transition, with workers being more likely to require upskilling with the composition of industry and sectors differing. CCN members can assess large employers in their area, how future requirement for jobs and skills will change with net zero, and how councils and the private sector can collaborate to effectively meet these needs.

Appendix

Public-private sector partnerships in cities

Case study: Western Gateway Partnerships

The Western Gateway Partnership is a cross-government and business-led initiative established to drive economic growth and facilitate regional collaboration across Western England and South Wales. It was set up to harness the region's collective resources, talents and energy to create a powerhouse that can compete on the global stage. The partnership aims to improve infrastructure, enhance investment and promote innovation across various sectors, including technology, manufacturing and green energy. By bringing together local authorities, businesses, universities and other stakeholders, the Western Gateway Partnership seeks to address regional challenges, leverage opportunities for sustainable development and ultimately improve the residents' prosperity and quality of life within the region. By uniting stakeholders, the Western Gateway Partnership can capitalise on opportunities once deemed too costly or insufficiently impactful for individual groups. However, as a collective, these endeavours now present significant benefits that resonate across the entire partnership. The initiative reflects a broader trend in the UK of establishing regional powerhouses to decentralise.

What these case studies mean for CCN members

It is crucial to acknowledge the inherent differences between rural and urban areas, for example, the disparity in government funding, particularly for transport infrastructure, demographic and structural factors, and the number, size, and types of businesses. Urban areas typically have more diverse economies, larger populations, and greater access to resources, while rural regions may face challenges such as lower population density and limited economic diversification. These factors mean that case studies from urban areas cannot be completely replicated in rural contexts but can still serve as valuable sources of inspiration.

However, CCN members should look towards exemplary urban initiatives both at home and abroad. By incorporating these advanced urban strategies, CCN members can enhance their current efforts, ensuring a more holistic and impactful approach to sustainability. Adopting larger-scale renewable energy projects, enhancing public transport systems, and implementing stricter industrial regulations can provide a pathway to achieving greater emission reductions. Additionally, fostering public-private partnerships can attract substantial investment and drive innovation in sustainable development.

Ultimately, drawing inspiration from these successful urban examples will enable CCN members to amplify their environmental impact, addressing the limitations of their current initiatives and paving the way for more substantial and comprehensive emission reductions. With the right funding, devolved powers and direction as well as community engagement, and focus CCN Members could do even more to support in achieving the UK's overall net zero goals. The time to act is now.

Steps for a net zero plan

For those at the beginning of their journeys, the following steps can be used to guide the development of a net zero plan.

01. **Establish governance:** Set up a governance structure to oversee the development and implementation of the net zero plan. This should include key stakeholders and decision-makers to ensure accountability and alignment with broader strategic goals. Leaders need the skillset to convene, secure agreement and mobilise delivery of plans.

02. **Understand the current state:** CCN members should utilise the available data to establish a robust and accurate baseline of their emissions profile, including identifying key sources of emissions e.g., transportation, buildings, industry, agriculture and waste. This can be categorised between influenceable and non-influenceable and will generate an idea of what could be realistically achieved.

Appendix

03. **Set clear goals and targets:** Using the current state data available, CCN members can define their overarching net zero goals along with the specific, measurable targets that will help achieve these goals. These targets should be ambitious yet attainable and a link should be made with central government for stronger implementation. Based on CCN members significant share of agriculture and transport emissions, there should be specific goals and targets set for reducing these emissions.

04. **Explore opportunities including collaboration and strategic partnerships:** Identify potential collaborators and strategic partners who can support and enhance the net zero efforts. This should be done with a place-based lens and look towards neighbouring authorities, private sector partners and community organisations to avoid the effects of working in silos.

05. **Develop a decarbonisation plan:** Outline a detailed plan for reducing emissions across all key sectors, especially in those areas that have been identified as having the greatest potential for reductions. This should include specific actions, timelines and responsible parties.

06. **Prepare a prioritisation list** for actions needed to reach net zero, aligning with the overall agreed goals and targets. This list should include:

    i. Assessment of sustainability areas with the most significant impact for the local area.

    ii. Identification of actions that are easiest to implement and those that are most challenging.

    iii. Evaluation of the costs associated with each action.

    iv. Status check on actions close to completion or already underway.

    v. Analysis of how local natural capital can support or enhance the effectiveness of each action.

07. **Explore financing options:** Investigate various financing options, including creating new funding streams and adopting innovative funding mechanisms to support and enhance buying power for net zero initiatives.

08. **Report on progress:** Establish a system for regular reporting on progress, linking back to the gathering of accurate data on funding, emissions reductions, and other key metrics. This will ensure transparency and allow for adjustments to be made as needed.

By following these steps, CCN members can develop a comprehensive and actionable net zero plan that drives meaningful progress towards sustainability and climate resilience.

Table of figures

Glossary

Biodiversity Net Gain (BNG): A mandatory requirement under Schedule 7A of the Town and Country Planning Act 1990 (as inserted by Schedule 14 of the Environment Act 2021) aimed at protecting wildlife habitats during the development of buildings or other infrastructure. It ensures that a developer leaves an environment with 10% more, or better quality, natural habitat than before development.

Carbon Budget: A legally binding limit on the total amount of greenhouse gases the UK can emit over a 5-year period, set to ensure the country meets its climate change targets.

Carbon Capture, Usage, and Storage (CCUS) refers to a suite of technologies that enable the mitigation of carbon dioxide (CO_2) emissions from large point sources, such as power plants, refineries and other industrial facilities, or the removal of existing CO_2 from the atmosphere.

Circular Economy: A model of production and consumption aimed at eliminating waste and increasing recycling and reuse. The goal is to keep materials in circulation and extend the life cycle of products. It contrasts with a linear economy, which has a 'take, make, dispose' model of production.

Climate Adaptation refers to the process of adjusting to current or expected changes in climate and its effects. The goal is to build resilience, reducing the vulnerability of communities, ecosystems, and economies to the adverse impacts of climate change and to take advantage of any potential benefits. Examples include using crop varieties that are more tolerant to changing conditions and adopting sustainable land management practices.

Climate Mitigation is actively seeking to reduce or prevent the emission of greenhouse gases into the atmosphere, with the goal of limiting the extent and impact of global warming and climate change. This could be for example building infrastructure for low-emission transport, improving energy efficiency and the use of renewable energy to replace fossil fuels.

Glossary

Climate Recovery is the reversing of the impact of climate change by rebuilding communities, economies and ecosystems that have been affected by climate-related events. This can include a wide range of activities such as rehabilitating forests, wetlands, and other natural habitats that have been degraded or destroyed by climate change-related events like floods or repairing infrastructure that has been damaged by storms.

County Council Network (CCN): An organization representing 37 primarily rural local authorities in England, covering 47% of the population across 86% of the UK's land mass.

Decarbonisation: The process of removing or reducing the carbon dioxide emissions resulting from human activity.

Devolution: The transfer of powers and funding from national to local government.

Electric Vehicle (EV): A vehicle that is powered by an electric motor instead of fuel, using energy stored in rechargeable batteries.

Energy Performance Certificate (EPC): A certificate that provides information on the energy efficiency of a building and recommendations for improvement.

Green transition: The process of shifting from a fossil fuel-based economy to one that is sustainable and low-carbon, involving changes in energy systems, industrial processes, transportation, agriculture, and land use.

Influenceable emissions: Emissions that can be directly influenced or controlled by local authorities through their policies and actions.

Local Nature Partnership (LNP): A collaboration of local organisations, businesses, and individuals aimed at improving the natural environment in a specific area.

Nationally Determined Contributions (NDCs): Commitments made by countries under the Paris Agreement to reduce greenhouse gas emissions to help meet the global goal of limiting temperature rises to 1.5C and adapt to the impacts of climate change.

Net zero: Achieving a balance between the amount of greenhouse gases emitted into the atmosphere and the amount removed or offset, resulting in no net increase in atmospheric greenhouse gases.

Public-Private Partnership (PPP): A cooperative arrangement between public and private sectors for the provision of public assets or services.

Renewable energy: Energy generated from natural resources that are replenished constantly, such as wind, solar, and hydro power.

Statutory obligation: A legal requirement that must be fulfilled by an organisation or individual. They are imposed by statutes, which are formal written laws enacted by legislative bodies.

Sufficiency: The concept of assessing consumption based on the need to live within the limits of our ecosystem, reducing excessive consumption and waste.

Sustainable sourcing: Invest and Involve Programme (SSIIP): An initiative that leverages a council's buying power to generate investment for sustainability projects, allowing suppliers to contribute to local net zero goals.

Virtual Power Purchase Agreement (VPPA): A financial agreement where a buyer agrees to purchase electricity from a renewable energy project at a predetermined price, providing price stability and supporting renewable energy development.

Whole-systems approach: An approach to climate change that recognizes the interconnectedness of economic, social, and environmental systems, aiming to provide integrated and holistic solutions.

Zero-Emission Vehicle (ZEV): A vehicle that doesn't directly emit exhaust gas or other pollutants from the onboard source of power, such as electric or hydrogen fuel cell vehicles.

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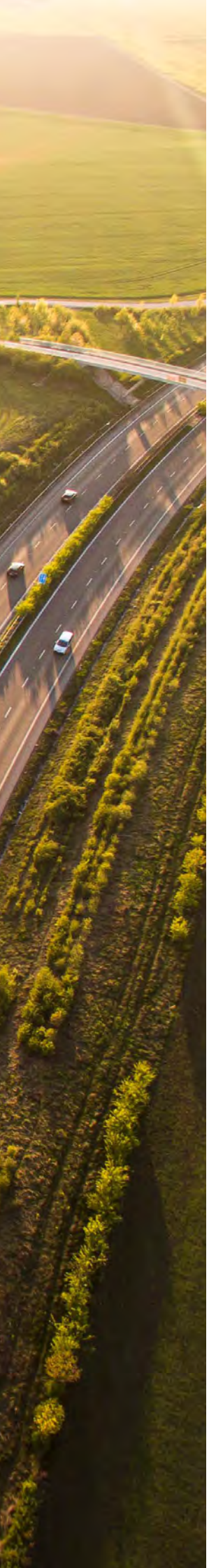

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