



Northern Ireland Assembly  
Agriculture, Environment and Rural Affairs Committee  
Parliament Buildings  
Ballymiscaw, Stormont  
Belfast, BT4 3XX

14<sup>th</sup> July 2021

### **NFLA response to Committee consultation on the NI Climate Change Bill**

Dear Clerk to the Committee,

I attach the response of the All Ireland Sustainable Energy NFLA Forum, a constituent part of the UK and Ireland Nuclear Free Local Authorities (NFLA) group, to the Committee's Climate Change Bill inquiry. Our response specifically relates to the role we believe Local Authorities can, and should, play in Northern Ireland's policy challenge to reduce carbon emissions and mitigate climate change. A big part of that for us is to give Councils enhanced powers and resources in this area to do the job.

For your information, the Forum is part of the NFLA, a local authority group which is made up of Councils from across Northern Ireland, the Republic of Ireland, England, Scotland and Wales. Its Steering Committee and Secretariat are based in Manchester, and the Forum's Secretariat is based in Newry under the auspices of Newry, Mourne and Down Council. NFLA raises legitimate concerns and issues over all aspects of nuclear policy and energy policy in order to assist local government in meeting its commitment to sustainable development, energy policy development, environmental protection and public safety.

Our response collates information from its current and most recent reports on how essential Councils are in tackling the climate emergency. In terms of the Committee's consultation this relates specifically to the role of the public sector leading by example; and harnessing the citizen and community effort.

#### **i. Overview of response**

This NFLA All Ireland Sustainable Energy response to the Committee's consultation on the Climate Change Bill tabled at the NI Assembly is formed from an extensive suite of reports that the NFLA Secretariat has developed to assist its member authorities, and potentially all Councils in the British and Irish Isles, on how to tackle one of the greatest issues facing local government and society – the climate emergency.

These reports have considered best practice amongst councils across the British and Irish Isles in tackling the climate emergency. The most recent reports considered how important a 'green recovery' could be as a core response to the economic and environmental challenges brought on by the Covid-19 pandemic, with a list of over 65 case studies of Councils delivering positive change in this area of policy. This response looks at the importance of local government in tackling the climate emergency in a post-pandemic era, providing ideas of interest to both local and central government. We encourage committee

members and the clerks to the committee to read these reports, which can be found at the following weblinks:

- [https://www.nuclearpolicy.info/wp/wp-content/uploads/2020/05/A312\\_NB199\\_Climate\\_emergency\\_update.pdf](https://www.nuclearpolicy.info/wp/wp-content/uploads/2020/05/A312_NB199_Climate_emergency_update.pdf)
- [https://www.nuclearpolicy.info/wp/wp-content/uploads/2020/05/A313\\_NB200\\_Covid\\_19\\_and\\_aftermath.pdf](https://www.nuclearpolicy.info/wp/wp-content/uploads/2020/05/A313_NB200_Covid_19_and_aftermath.pdf)
- [https://www.nuclearpolicy.info/wp/wp-content/uploads/2020/11/A320\\_NB207\\_Green\\_recovery.pdf](https://www.nuclearpolicy.info/wp/wp-content/uploads/2020/11/A320_NB207_Green_recovery.pdf)
- [https://www.nuclearpolicy.info/wp/wp-content/uploads/2020/11/A321\\_NB208\\_100\\_per\\_cent\\_renewables.pdf](https://www.nuclearpolicy.info/wp/wp-content/uploads/2020/11/A321_NB208_100_per_cent_renewables.pdf)

This response offers to the Committee a detailed consideration of how Councils should respond to the climate emergency in a post-pandemic environment, as well as the real need for further devolution of powers and resources from central government to allow them to achieve effective results. The powers of local government on this area in Northern Ireland are the weakest of any constituent part of the UK or the Republic of Ireland.

The Forum very much welcomes the development of the Climate Change Bill and the strong multi-party and civil society support for it. Northern Ireland really needs to catch-up in its climate change mitigation and adaptation strategy and this could be the commencement of a new and more effective process to underpin the urgent need for effective, radical and fast change.

## 1. **Introduction – Devolution of Power: an idea whose time has come**

The lack of local authority powers and responsibilities in Northern Ireland has been highlighted recently by several commentators as a major barrier impeding the transition to a low carbon future. Experience of the Covid-19 pandemic and the climate challenge tells us we need clear and consistent political leadership and we need to devolve powers and responsibilities, such as those for carbon budgets, to city regions / local authorities, and to supply the resources necessary to manage the necessary changes. (1)

Local government is increasingly recognised as the level of government best suited to respond to climate change. The devolution of powers and responsibilities seems to be an idea whose time has come. The UK Government's 2020 Energy White Paper (2) has readily acknowledged this, saying:

*"Local Authorities are key to delivering [smart local] systems by combining energy into their wider statutory work on housing, transport, waste and planning, making delivery more cost-effective and preparing for a net zero future. Government provides funding for Local Authorities to deliver programmes that support decarbonisation and will continue to work with communities to enable projects to be tailored and delivered to meet local needs."* (p.25)

Polly Billington, Director of UK 100, a network of locally elected leaders who have pledged to switch to 100% clean energy by 2050, says:

*"The reality, however, is that the UK's current rules do not enable local authorities to do what they need to get to Net Zero locally, and not even to effectively work together to be able to achieve it nationally. Put simply, the UK government won't be able to achieve what they want to do unless they work with local authorities and change the rules to allow them what they want to do."* (3)

UK100 is now asking local authorities to join its Net Zero Local Leadership Club which means doing everything within their power to get their communities to Net Zero as soon as possible, and by 2045 at the latest. The same can be said across the island of Ireland, where powers are considerable weaker.

Andrew Western, the Leader of Trafford Council in Greater Manchester and the lead on climate emergency in the Greater Manchester Combined Authority, said:

*"There's no doubt that we are facing a climate emergency that requires urgent, joined-up action across all areas of local and central government. However, the combined effects of*

*the pandemic and long-running budgetary pressures mean councils are struggling for capacity and funds to take many of the practical, achievable steps needed to decarbonise our economy.” (4)*

Any Northern Irish Councillor across the island would say the same.

A recent report from the group Green Alliance think tank says local councils are unable to bring about the transformation they want without more expertise, funding and an enabling central government framework, consequently they are missing out on the local economic and social opportunities of doing so. The Alliance worked with an advisory panel of six local authorities leading on climate action, focusing particularly on transport and housing policy. It also conducted anonymous interviews with another 12 representatives from a wider range of authorities that have declared climate emergencies, to get a broader perspective on some of the structural issues affecting local efforts to move to a low carbon economy.

The Green Alliance report recommended a new policy framework setting out expectations for all levels of government and including ways to overcome current barriers to decarbonisation. This should form an essential baseline for local action. This enabling framework should also include:

- Agreed methodology to monitor and report emissions under local authorities’ direct control.
- A single point of contact within central government focused on local authority decarbonisation.
- A strategic approach to addressing in-house skills gaps within local authorities and a new national green skills strategy.
- Sufficient and stable funding to allow councils to plan ahead and prevent environmental imperatives being deprioritised.
- Reforms to the planning system that put sustainable housing and transport at their heart. (5)

The Forum encourage the government to develop a similar enabling framework across Ireland.

## **2. Remarkable progress in decarbonising electricity – but that’s the easy bit**

There has been remarkable progress in decarbonising electricity over the past decade. Across the island of Ireland there has been a marked upswing in the development of renewables, principally onshore wind, biomass and some solar. The Forum welcomes the renewed interest in developing offshore wind, which has been a game-changer in much of Europe, and to also consider tidal and marine energy. The reduction in coal has been impressive, and it needs to be speeded up.

However, from most consumers’ perspective, despite the fact that coal-fired power stations have been replaced by wind turbines, not much has changed - the lights still come on just as before. But decarbonising heating and transport is going to be very different and more difficult. We are going to have to understand local geography – local transport patterns; the state of the housing stock, where the pockets of fuel poverty are; the potential for different forms of heat networks; the capacity of the local power grid and so on.

In a recent Blog, Guy Newey of Energy Systems Catapult, argued that “the next phase of decarbonisation will likely have two characteristics: it will need to be much more consumer-friendly, and it will need to be much more sensitive to local contexts.” (6)

The Social Market Foundation has warned of a major public backlash against the Government’s drive to phase out fossil fuel vehicles if it does not introduce targeted support for lower-income citizens. The “perception of unfairness is a grave threat to the mass adoption of electric vehicles” and without action public resentment over EV costs and access to charging could harm public support for the wider net zero transition. (7) Clearly there could be similar backlashes against compulsory changes to heating systems.

Devolving power and responsibility down to a local level could help solve some of these problems.

### 3. **Devolving power**

There are several ways of devolving power. Newey argues that markets are perhaps the most powerful form of devolution. "We need to harness them". Removing VAT from energy saving equipment would be one way to rebalance markets. And historically most of the climate policy costs are placed on electricity bills giving gas central heating a free ride compared with heat pumps. In the UK for example, according to Ofgem Environmental and Social Obligation cost make up almost 23% of the average electricity bill, but less than 2% of the average gas bill. (8) This needs to change to a carbon-based system which incentivises fuel switching away from fossil fuels.

Another way of devolving power suggested by Dr Richard Lowes of the Energy Policy Group is to enable local authorities to deliver and support heat decarbonisation. And there should be a framework that would support individuals to invest in and have a greater share in infrastructure and the system.

Alternatively, we could devolve power even further by actually asking citizens what they want. Professor Rebecca Willis, who leads on citizen engagement in climate change at Lancaster University, says as we move towards decarbonising food, heat and transport, people are going to notice changes much more so it is vital we move to a much more inclusive way of doing climate politics and policies. Decarbonising home heating, for example, will only work if people want these things in their houses, and if they are willing to pay for them one way or another, through tax or by purchasing equipment. The best way to make sure policies work is to ask people what they want given that we have to decarbonise home heating. If we look at involving citizens in climate strategy, so that things aren't just imposed on them, it is no longer a discussion amongst experts about the optimum technological solution, but instead it becomes a discussion about how we want to live. (9)

Of real interest for the Committee, in the Republic of Ireland the Irish Citizens' Assembly reported in 2018 with recommendations on climate change that were significantly more radical than many observers expected, with strong support (80 percent or higher in all cases) for all proposed actions, including paying higher taxes on carbon-intensive activities, and taxing GHG emissions from agricultural products. (10) We are sure the same response would be found in Northern Ireland and is a core factor in why this Climate Change Bill has been developed in the first place.

The first UK-wide Citizens Assembly on Climate Change last year showed that people want urgent action and a joined-up approach. The assembly's recommendations called for leadership from government that is clear, proactive, accountable and consistent, including cross-party consensus and advocacy of local solutions and local engagement. Scotland's first Climate Assembly is in its latter stages, and it will report to the Scottish Parliament soon. (11) The development of the Climate Change Bill should take account of some of its recommendations when they are made public.

Policymaking across the island of Ireland is overly centralised, and particularly so in Northern Ireland. Whilst that may be historical due to the political challenges of previous decades, it is only in local government where there have been years of pragmatism to develop effective and sustainable policies, often at times when there has been deadlock in the Stormont Assembly. The Northern Ireland Executive needs to urgently devolve some of its powers and responsibilities to local areas. Yet there doesn't seem to be any appetite on the part of central government for the required devolution. Some of Northern Ireland's larger cities and regions have managed to cobble together a limited set of workable powers and resources around climate change. But smaller towns and cities, suburban and rural areas have struggled. In Willis's view giving local government a local carbon target and the means to achieve it is essential to achieve the national target.

#### 4. Climate Emergency Declarations

At the moment, we have lots of political aspiration at a local level (300-odd Local Authorities, about 75% of the total in the UK and Ireland, have declared 'climate emergencies') but few have created actionable, investable plans (Greater Manchester being one of the few exceptions). Local Area Energy Plans (LAEP) is one idea which could be a vehicle for building local consent for the actions needed for Net Zero. Local Authorities would be at the heart of producing the plans and builds on a core LA competency – planning – as their appropriate role in the transition. Such plans could provide the basis for demonstrating a fast-track Net Zero transition in particular cities, towns and areas across the country. (12)

According to a survey of interest to this consultation from the UK's independent Climate Change Committee (CCC), 99 of the 308 local authorities that have declared climate emergencies have now published a strategy or action plan while others are developing plans or have not set a date to produce one. The plans vary; many set out actions for the local authority's own estate and operations alongside actions to cut emissions in the wider area. Some are co-designed with the wider community, businesses, public sector and universities as well as local environmental regulators in the region, including sometimes incorporating climate adaptation and biodiversity actions. Some simply invite feedback through a consultation process. (13)

The key challenge is to turn the good intentions of a climate emergency declaration and target into a plan and then to deliver it. The CCC report shows the actions that need be taken by local authorities during the 2020s and early 2030s to be on track for Net Zero. Climate action plans and strategies can help identify areas where authorities can take immediate action, as well as areas where local powers are restricted, or additional funding may be required – potentially from central government – in order to deliver.

Key actions for all local authorities on buildings emissions include:

- Develop an energy efficiency and decarbonised heat strategy and action plans for delivery in the 2020s;
- Update carbon reduction plans for the council estate to bring them in line with Net Zero;
- Keep communicating with residents;
- Areas outside of industrial clusters should not assume that hydrogen will provide an answer to heat decarbonisation;
- Identify areas suitable for heat networks which are effective in providing low-carbon heat to dense areas;
- Plan for trench sharing in zones identified for heat networks and in zones identified for electrification of heat, through heat pumps;
- The 5% of homes in areas off the gas-grid currently using high carbon fossil fuels are a priority for energy planning, as high carbon fossil fuel heating will be phased out during the 2020s;
- Support the smart meter roll out;
- For new buildings, local Planning Authorities should continue to develop and implement planning policies that lay the foundations towards net zero. Zero carbon developments avoid future retrofit costs for councils, landlords and residents. Use of standards such as Passivhaus can provide certainty around the need to uplift construction skills and can address the as built performance gap.

On transport, local authorities need to reduce transport demand, especially vehicle mileage, while supporting active travel and public transport; design out vehicle dependence and support the shift to low emissions vehicles running efficiently. Measures should include:

- Ensure that policies and plans support walking, cycling and public transport;
- Local authorities should have a Local Cycling and Walking Infrastructure Plan;
- Work jointly with bus operators to provide a bus network that is rapid, reliable and affordable;
- Decarbonising transport – promoting electric vehicle uptake;

- Support logistics improvements to reduce HGV emissions using traffic powers;

The CCC also recommends that local authorities work with their Distribution Network Operators (DNOs), neighbouring authorities and across their wider climate and energy partnerships to prepare local energy plans for their area. These will assess an area's energy demands for heat and electric vehicles, identify surplus heat sources and identify the best places for district heating, heat pumps, levels of energy efficiency measures needed and EV charging. Flexibility, smart demand management and energy storage should also be included.

## 5. **Local authority levers to deliver Net Zero.**

The CCC says local authorities are directly responsible only for about 2- 5% of their local area's emissions. The figure is broadly similar in Northern Ireland. But local authorities have many levers at their disposal to deliver wider local action to reduce emissions and prepare local areas for a changing climate. So, if they are not involved in the national net zero strategy the target will not be achieved. Similarly, the levers available to local authorities are insufficient to achieve their Net Zero ambitions, due to gaps in key powers that prevent systems-scale or holistic approaches, policy and funding barriers, and a lack of capacity and skills caused by funding cuts. (14)

Chris Stark, chief executive of the CCC, says local authorities should be seen as enablers, not as barriers on the journey to net zero. But, he says, there is no 'go to' resource for local authorities to go to for information about what to do about achieving net zero. As a consequence, far too many consultants are employed, there is a lot of duplication of effort, and there is no common system of reporting. This needs to be better co-ordinated. A framework needs to be developed so they can use their powers properly. (15)

He notes that Local Authorities "cannot deliver effectively and efficiently without longer term policy and funding certainty to underpin investment decisions. Without some level of coordination from Government, there is a risk of pursuing a fragmented strategy towards Net Zero." (16) This is most definitely the case across Ireland.

The CCC does not recommend that local authorities are set binding carbon budgets due to the range of factors affecting local emissions that are beyond their direct control. However, it does recommend that they consider Net Zero action plans for their own emissions and that they work in partnership to reduce area wide emissions.

## 6. **Local Area Energy Planning (LAEP)**

The NFLA suggests that the Committee consults a recent report drafted by Energy Systems Catapult (ESC). This argues that any focus on promoting renewable heat and transport strategies will require a 'Whole Systems' approach to help decide on the best mix of building improvements, low carbon heating technologies, power, gas and heating networks to deliver low carbon and affordable energy. This requires a deeper understanding of conditions at a local level as it is concerned with building stock, energy network capacity, spatial features and other local characteristics; assessed in parallel with the decarbonisation of other sectors such as transportation. Insights from Whole Systems analysis can then be considered alongside consumer, commercial and policy factors, in order to determine options for a future energy system. (17)

Local Area Energy Planning (LAEP) can build a map of the current energy system; model potential future transition pathways, and then work with stakeholders in a local area to deliver a plan, and identify the priority projects (e.g., a new heat network, energy efficiency programme, fuel poverty intervention, electricity network upgrade) which are likely low regrets for the particular area. LAEP provides a way to navigate the local complexities of that challenge. It also allows people to participate in working out what is a desirable transition, reflecting the local energy geographies. The Forum believes this type of approach needs to be considered for Ireland, and requires new powers and resource being urgent considered for Local Authorities across the country.

When combined with transport, food and biodiversity plans the resulting local authority climate change plans can be seen as ‘Locally Determined Contributions’ (A local version of Nationally Determined Contributions (NDCs) offered by national governments to the UN.) to deliver Northern Ireland’s Net Zero objectives. Government should support, empower and work effectively with local authorities to translate its legislated targets into actual delivery of Northern Ireland’s 2050 carbon reduction target.

## **7. Community-led Local Energy Plans**

Local Energy Plans can also be developed at a community level to enable a community to look at its existing and future energy needs (in terms of power, heat and transport) and state where it sees priorities for action. It also identifies opportunities that can help the community take practical action to support its current and future energy system developments.

To give the Government some consideration of how this could be done in Northern Ireland, the Forum recommends considering work undertaken by Local Energy Scotland. This has led a Scottish pilot to develop and implement community-led local energy plans for four local communities in the Scottish Highlands and Islands Enterprise Region and to develop a common local energy plan methodology and supporting toolkit. They are a combination of urban and rural examples similar to what can be found around Ireland. The four locations were Brae (Shetland Islands); Drumnadrochit (Inverness); Barra and Vatersay (Western Isles) and Oban (Argyll). The development of the energy plan for each area was led by a local steering group of community representatives and representatives from the local authority, Home Energy Scotland and Local Energy Scotland. (18)

Other examples of approaches to local energy planning elsewhere worth considering include:

- Local Area Energy Plans have been piloted in England and Wales by the Energy Systems Catapult project in Bury (Greater Manchester), Bridgend (Wales) and Newcastle. This project established a planning framework to help local government, energy networks and other key stakeholders prepare for a low carbon future. (19)
- Fife Council wanted to understand how Burntisland could reduce its carbon footprint by 80% and led the development of the Burntisland Community Energy Masterplan. The Burntisland Community Energy Masterplan is a pilot, hopefully the first of many which will cover all of Fife. (20)
- The Bristol City LEAP used local area energy planning to identify investable schemes to decarbonise heat in areas of the city. The city is now procuring Joint Venture partners to deliver an investment of £875 million in heat networks, a smart energy system, domestic energy efficiency, renewable energy and heat pumps. (21)

Local Plans should support renewable energy and low-carbon heat. Comparing the approach of the other nations of the British and Irish Isles, the Forum notes that Scotland plans to introduce a requirement for local authorities to produce Local Heat and Energy Efficiency Strategies (LHEES) which will focus buildings and heat. The Scottish Government requires all Public Bodies, including local authorities, from 2022 to set a date by which their direct emissions will be Net Zero, and how they will align spending to this target. Local authorities will also be asked to set out a target date for the extent to which they aim to use their influence to reduce area-wide emissions, recognising this is a national pathway that requires action from all parts of society. Current reporting arrangements will be streamlined to simplify reporting duties on Scottish local authorities.

The Welsh Government has also set a target to achieve a Net Zero carbon public sector by 2030 which includes ensuring that all local authorities have robust evidence-based Net Zero Action Plans in place as living documents by March 2021. The Welsh Government is offering technical, commercial and financial support to Public Bodies to implement action, and it has developed a Net Zero Carbon Reporting Guide to support consistent, transparent reporting. The Welsh Local Government Association is providing training, expertise and ensuring good practice is shared across the sector. In Wales four regional energy

strategies have been developed for North Wales, Mid Wales, the Swansea Bay City Region and the Cardiff Capital Region and further work with local councils is planned.

For the Republic of Ireland, the Forum encourages the Committee to consider the work of the Sustainable Energy Authority of Ireland in developing a methodology to assist local authorities in the preparation of renewable energy strategies (LARES). This includes training to enable local authorities to engage and consider local needs during the transition. (22) The Forum encourages SEAI to look at the broader work being undertaken across the Irish Sea to see if similar activity could be replicated here. With Ireland and Northern Ireland behind the curve on such work, it is imperative it understands best practice close by and engages and revitalises councils to engage within it.

This work should be of interest to the committee as the Forum believes a step change is required in Northern Ireland to develop similar useful, effective and exciting schemes.

At present the Department for the Economy in Northern Ireland is developing a new Energy Strategy to replace the existing Strategic Energy Framework. In its Call for Evidence published in December 2019 the role of Local authorities in Scotland in developing Local Heat and Energy Efficiency Strategies was highlighted and the fact that the increased powers of local government in NI since 2015 could similarly enable a variety of locally driven solutions. (23) The Forum encourages a similar approach that councils could be key enablers for.

In the most recent 12-month period nearly 47% of total electricity generated in Northern Ireland came from renewables, exceeding the target of 40%. Eighty-five percent of this came from wind. In the Forum's view, NI should build on this success and generate even more electricity from low-carbon sources. It should seek to engage on offshore wind, solar and marine energy sources.

The Forum notes the comments of Economy Minister Diane Dodds that:

“There is a substantial economic recovery opportunity in decarbonising energy as part of growing our green economy and delivering significant export opportunities for homemade lower and zero-carbon solutions. Not only this, but warmer, more energy efficient homes will be healthier homes for vulnerable consumers, reduce excess winter deaths and take pressure off our health system.”

We agree with that view and we want the NI Executive to set an ambitious new renewable electricity target for Northern Ireland. Work is ongoing to gather the evidence needed to set a new target but the Minister wants it to be no lower than 70% by 2030. (24) SSE has called for an 80% target. (25) NFLA would share SSE's view.

There is also interest from the Executive to make Northern Ireland a centre of excellence for the hydrogen economy, with local manufacture of electrolyzers, hydrogen fuel, and hydrogen-fuelled vehicles for which there will be a rapidly growing demand world-wide. The department is exploring and supporting a range of projects to showcase the potential to develop cutting-edge hydrogen technology. (26) The Climate Change Bill should be a way to encourage such developments by underpinning it with effective structures that enable new initiatives, climate adaptation and resilience planning.

## **8. Campaign for a Green Recovery**

The Forum brings to the attention of the Committee the work of a group of 24 mayors and local leaders, representing 24 million people across the country who have established a new Resilient Recovery Taskforce. They have called on the UK Government to commit to a 'New Deal for Green Skills and Growth', alongside a major push on infrastructure investment, public transport and retrofitting homes. A "retrofit army" of nearly half a million builders, electricians and plumbers will be needed to help meet the government's objective of becoming Net Zero by 2050. More than 3.1 million job posts affected by the shift to green jobs will need access to skills and training from government and industry. Similar change is required across Ireland.

The Taskforce called for:

- A Net Zero Development Bank to work with Local Energy Hubs and support local authorities to develop place-based Net Zero projects and programmes, leveraging additional private investment to kickstart local energy schemes which are at too early a stage to be attractive to private finance.
- Renewal of the electricity grid to ensure a smart decentralised energy system, enabled by a national framework for local area energy planning.
- Ensuring that the nation's homes and buildings are retrofitted to be energy efficient.
- Speeding up the transition to low and zero emission travel.
- Expanding local powers to take action on Net Zero by enabling the national Net Zero effort through an enhanced devolution settlement of new powers and resources. (27)

All of these ideas would be most welcome in Northern Ireland as well.

Retrofitting existing buildings in Ireland is arguably the most important infrastructure challenge for reaching Net Zero emissions and will require investment at scale alongside planning. We will need to roll out district heating networks, heat pumps, off-grid gas homes and hydrogen technology. But considerable long-term investment is also required if Northern Ireland is to decarbonise all vehicle fleets and associated infrastructure.

## **9. How do you fund climate policies at a time of economic crisis?**

The Forum believes that the transition to net zero needs the involvement of local communities. But communities and local authorities don't have the money in their bank accounts to fund projects. Although the cost of solar, wind and storage equipment has been falling with the feed-in tariff there was less risk attached so finance for community energy groups was cheaper. All Council budgets are under real pressure at the moment, so where is the money going to come from?

There is a risk that, despite their commitment to climate goals, projects may be delayed in favour of delivering core statutory duties. Local authorities require sufficient funding, to increase their skills and capacity to deliver the project pipeline for Net Zero.

This will not be cheap. For example in the UK, the CCC says decarbonisation of the economy will cost around £50bn per year (or 1% of GDP) by 2030. The UK is currently spending around £10bn per year at the moment, so we need a five-fold increase. In Ireland, starting at a lower base, the proportion of support may require at present considerably more than 1% of GDP to ramp-up this essential work.

Where that money will come from and who will be spending it is rather aligned to what kind of energy system we expect to see. In a centralised energy system, the money would come from nationalised and multinational industries. In a more decentralised system, the money would come from elsewhere.

One possible model the government may wish to look at is illustrated by Abundance Investments, which allows anybody to invest in renewable energy through a regulated platform. In the UK, it has raised £100m over the past ten years. More recently Abundance has been working with some local councils who are themselves interested in issuing green municipal bonds. Councils can borrow from the Government Public Works Loan Board, but they wanted to raise money on similar terms from residents so that they would feel they were part of the solution. Councils are tending to look at projects that are quite different to community projects rather than councils crowding out community projects. Councils are generally keen to use issuing bonds with Abundance as a springboard to encourage community projects to come forward with projects. The Bristol City Leap Project, for example, has the involvement of the community written into the tender. Councils can also co-invest in community projects. Community Groups often look at the council as a hurdle to overcome, but if they can work more collaboratively, we can really start to make progress. (28) Irish Councils desperately need similar types of resource and financing ideas like this.

To show the ambition that could be taken up through such ideas, Bristol City Council has invested £50m in low carbon technology to date, and it will attract a further £1bn in investment through City Leap. A new strategic partnership will be formed to attract global investment to the City. This will transform the City's energy system whilst tackling the City's social, environmental and economic challenges. The City has invested £7m in the installation of 2 x 2.5MW wind turbines at Avonmouth. Bristol's heat network is already benefitting over 1,000 social housing properties.

Since September 2020, Bristol has been undertaking a procurement exercise to identify future Strategic Partner for City Leap – the organisation or consortium that will work with the council to deliver more than £1 billion of investment towards Bristol becoming a zero-carbon, smart energy city by 2030. Following a diverse range of bids, the evaluation has whittled interest down to a shortlist of three organisations and consortiums that will progress through to the final stages of the procurement exercise. The council's search for a partner is expected to conclude in 2021. (29)

In October 2020, the UK's first local government green bond reached a successful close, reaching its £1m target five days ahead of the deadline. Abundance Investment managed the issuance for West Berkshire District Council. It attracted 640 investors who each invested an average of around £1,500. Just over a fifth of investors were West Berkshire residents. The bond will help fund the installation of solar panels on five buildings across the district, including schools, leisure and care facilities and the council's own offices. In addition, money raised from the bond will go towards funding projects with the local Wildlife Trust to protect and enhance the natural environment; updating traffic signals to ultra-efficient LEDs; and developing cycleways to promote sustainable transport. (30)

Northern Ireland urgently needs to be looking at ways it can deliver similar exciting schemes here.

## **10. Green Finance Strategy**

In responses by Councils to the climate emergency, lack of funding is the single largest barrier to delivery. Meeting commitments made in climate emergency declarations will require both significant investment into low-carbon infrastructure and the decarbonisation of heat.

Green finance could take many different forms, including green bonds, green loans, a green revolving credit facility, green hire purchase, green lease and asset loans, green grants and mechanisms to create market certainty.

Finance is fundamentally a combination of equity and debt, i.e., money belonging to the local authority and money it borrows. When grant funding is available this can supplement or replace a direct equity contribution. Northern Irish Councils should look at putting together funding requests both to government and to the new arrangements that follow from the UK leaving the European Union. Later in this briefing, an exemplar for looking for green funding is noted in Ireland in the Tipperary Energy Agency. A similar body working with a group of councils in Northern Ireland needs to be considered as a matter of urgency.

## **11. Solar Co-ops**

One form of finance that Councils could investigate, with government support, is the establishment of community energy co-operatives. Several local authorities have allowed community energy co-operatives to solarise council-owned by properties funded by a public share offer. The Forum offers to the Committee an excellent Scottish example that we recommend could be an exemplar for replication in Ireland – the Edinburgh Community Solar Co-operative, for instance has installed PV panels on 30 council-owned buildings including Waverley Court, the City of Edinburgh Council headquarters. Delivered in partnership with The City of Edinburgh Council, the first public share offer in 2015 enabled the project to install solar PV panels on 24 council and Edinburgh Leisure buildings across the city. A second successful share offer in 2020, has allowed a further six installations to

be added to the portfolio. Surplus profits made by the project are reinvested locally through our Community Benefit Fund. (31) There are also a wide range of community energy cooperatives across Northern Ireland.

## **12. The Role of Local Government in Northern Ireland in Responding to Climate Change**

Northern Ireland needs to think of ways it can develop policy processes that see the “mood music” around climate change as potentially transformative. The multi-party nature of the Climate Change Bill could be the start of such an exciting process. Politicians must be aware that there is an increased public interest. New groups have re-energised and re-imagined climate activism. In other areas, around education, the Just Transition, and the visual media, awareness has grown, and debates are ongoing. Just as Northern Ireland was a late moderniser, and a late eco-moderniser, it is becoming a late adopter of climate action measures.

Institutionally, Northern Ireland is heavily and overly centralised, with limited powers devolved to local authorities. This can inhibit experimentation and the development of bespoke policy responses for regional and local circumstances, which can be important in developing responses to climate change. Attempts at community and societal engagement remain sporadic.

Northern Ireland Executive policy documents highlight the important role of local authorities in responding to climate change as facilitators and supporters of community-led initiatives. As public sector bodies, they are expected to contribute to national targets for carbon emissions and lead by example with the uptake of energy efficiency measures across their buildings and more broadly in their service delivery. Furthermore, local authorities are mandated to develop climate adaptation plans that have to incorporate sectoral adaptation plans. However, they do have limited remits and financial and legal capacity, but the potential to demonstrate how, despite the challenges, climate action is possible with limited resources, finance and legal capacity.

Current legislation and powers give local authorities responsibility for only a few future-based actions, but for the most part they continue to be expected to respond to the everyday needs of National Government departments.

The Forum encourages the Committee to consider the recent comments of Sabrina Dekker, Climate Action Co-ordinator at Dublin City Council, which mirror that of comments made by similar officers in Northern Ireland Councils. She argues that, despite their limited remits and financial and legal capacity, Irish and Northern Irish Local Authorities nonetheless have the potential to demonstrate how, despite the challenges, climate action and climate adaptation is possible. However, she does acknowledge that if local authorities had the capacity to raise funds of their own accord, this would enable policymakers to kick-start policies and projects that address climate change in shorter time frames, but this is not the current operational framework. Policymakers view lack of access to funding and financing as a challenge to implementing programmes and actions that would respond to climate change. That is quite definitely the case across Northern Ireland’s 11 Councils as well.

Dekker was responsible for the development of the climate action plans for the Dublin Local Authorities as part of a team of three from Codema, Dublin’s Energy Agency that covers the four local authorities around the region. It could be seen as the type of best practice case study to try and mirror in the 11 NI Councils, or joint bodies between them. A clear goal of the Dublin Local Authorities’ (DLAs) climate action plans have been to effectively communicate the remit of the local authorities in Ireland, and to secure a lead in addressing climate action.

Under their Climate Change Action Plans, by 2030, the DLAs will have implemented actions to adapt the region to climate change, such that the risks of flooding, sea-level rise, extreme weather, and rising temperatures are reduced. Furthermore, their Climate Change Action Plans set out a goal that by 2030, CO<sub>2</sub> emissions from the DLAs’ operations will go

further than the 40% reduction target set by the voluntary European Union Covenant of Mayors, which would result in them exceeding their emissions reduction targets.

Dekker and O’Leary point out that:

*“Irish cities must continually look to cities around the world for novel and innovative ideas to address climate change, paying attention to how other cities address constraints. The resource and finance constraints are not unique to Irish local authorities, and it is critical to understand how other jurisdictions respond to these challenges, whether it is partnerships with academia to philanthropy and crowd funding.” (32)*

The NFLA All Ireland Forum Sustainable Energy Forum agrees with that view, which is why we have noted above many excellent examples that should be considered and replicated as well in Northern Ireland.

Collaboration between local authorities and central government is seen as essential. Public participation and engagement in the development of climate action plans is also necessary to the successful implementation and monitoring of these plans, as has been evident in cities around the globe. (33)

Finally, it is impossible to discuss climate action on the island of Ireland without mentioning the pioneering work of the Tipperary Energy Agency - an independent social enterprise that focusses on driving the energy transition through the provision of expertise, innovation and strong customer service. The Agency has 30 employees working to implement viable sustainable energy solutions that will reduce costs and energy use. Its focus is on innovation and best practice in delivering projects that chart a path for communities, business and citizens to net carbon neutrality. The Joint Oireachtas Committee on Climate Action examined the potential of recreating the ecosystem for the Energy transition in Tipperary for the rest of Ireland. Paul Kenny, Chief Executive of Tipperary Energy Agency said “A network of local energy agencies ... could be replicated, steered by the local civic organisations with funding programs tailored to specific sectors. Homeowners, businessowners and communities need to be able to access expertise in a streamlined way that supports those who wish to take action. We will still need some grants and carbon taxes, but the independent experts are necessary if we are to succeed in the energy transition in Ireland.” (34)

This work has been seen as so successful that the Minister for the Environment, Climate and Communications, Eamon Ryan TD, has now appointed Marie Donnelly - a director of Tipperary Energy Agency’s board for the past number of years - as Chair of the Climate Change Advisory Council. (35) NFLA would welcome such an agency organised by each of the 11 Northern Ireland Councils, or combination of Councils, and so they should learn the lessons of how the TEA was formed.

### **13. Some excellent examples of the low carbon work undertaken currently by Northern Ireland Councils**

In Northern Ireland, the Forum welcome the excellent work of Sustainable NI in working closely with Councils to assist them in developing detailed climate change adaptation plans to encourage energy efficiency, energy generation and storage schemes.

Some good examples they note include:

- Mid and East Antrim Council support a community food growing scheme in Greenisland involved schools and local community groups after a grant from the White Mountain programme.
- Handiheat is a €2 million European Union project focussed on improving energy efficiency in rural communities who are heavily dependent on fossil fuel imports, and where fuel poverty is prevalent. Northern Ireland Partners include the Northern Ireland Housing Executive and the ARC Healthy Living Centre in County Fermanagh. The project also aims to address policy and establish a set of resources and toolkits, which can be implemented to help provide sustainable energy solutions for these communities.

- Ards and North Down Borough Council established its 'Recycling Community Investment Fund' to thank residents for their recycling efforts. This funding has been used to support a range of projects that directly benefit local residents and neighbourhoods.
- Belfast City Council's Giant's Park is a trail blazing regeneration initiative, to transform a closed waste landfill site into innovative environmental resource park.
- Derry City and Strabane District Council is working with Enterprise Rent-A-Car to develop a low-emission car leasing scheme for essential staff travel within the district.
- Energy upgrade works by Newry Mourne and Down District Council at its Greenbank Depot have resulted in an annual saving of £9,300 in electricity costs (35% reduction) and £5,500 in oil and biomass savings (18% reduction). The site's energy rating has improved from an 'F' rating to a 'C' rating.
- Fermanagh & Omagh District Council has been rewarded at the annual Sustainable Ireland Awards for introducing a fleet of 'green' vans, the first council in Northern Ireland to adopt such a strategy. (36)
- NFLA were pleased to welcome officers from Derry & Strabane District Council to speak at its most recent All Ireland Sustainable Energy Forum profiling in more detail its recent climate adaptation work following advice from APSE Energy and Sustainable NI. (37)

#### **14. Climate Change Bills tabled in the Oireachtas and the Stormont Assembly**

NFLA has consistently been noting at its All Ireland Sustainable Energy Forum that both Ireland and Northern Ireland need to ramp up their low carbon action plans to catch-up on parts of the UK and the European Union norm.

In the past few of months, climate change bills have been tabled by the Irish Government at the Oireachtas and by a cross-party initiative at the Northern Ireland Assembly. NFLA welcomes both bills as a positive way forward.

This Bill, which has been devised with the support of academics and environmental groups within the Climate Coalition NI, calls for net zero by 2045. The Forum welcomes the three key parts to it:

- Declaring a climate emergency as a mandate in which to provide a framework for mitigating the effects of climate change in NI.
- Provide for a duty upon the Executive to prepare a Climate Action Plan at 5-year intervals (the initial interval being 3 years) with annual targets, carbon budgets, nitrogen budgets and sectoral plans.
- Establish new institutions (the Northern Ireland Climate Commissioner and the Northern Ireland Climate Office) as independent auditor/expert bodies to monitor the implementation of the Climate Action Plans, prepare audits of the same for the Assembly and review the working of the Bill, suggesting reforms and amendments as needed. (38)

However, the Forum is disappointed that the Bill has not been supported by the Democratic Unionist Party and the Environment Minister Edwin Poots has previously told the Assembly that he plans to shortly table a Government Bill that aims to achieve an 82% cut in emissions by 2050 in Northern Ireland, based on the advice provided by the Committee on Climate Change (CCC). This reduced number relates to the CCC acknowledging the major challenge that lay in reducing carbon emissions in the agriculture sector.

It remains to be seen if, over time, the likely two bills could be merged to create a dynamic, consensual approach. NFLA welcomes some new momentum in the development of climate change action in Northern Ireland. In our view, Northern Ireland Councils lack capacity in this area and need increased support, funds and new responsibilities from central government, and we hope the Climate Change Bill can address this matter as well as it develops through the Assembly. Ideas like the Tipperary Energy Agency or some of the excellent examples in England, Scotland and Wales need to be actively considered for the Northern Ireland context.

#### **15. Conclusions**

This NFLA All Ireland Sustainable Energy Forum submission to the Committee has provided in real detail information on the importance and value local government can provide, and needs to provide, for all parts of Northern Ireland in tackling the climate emergency. This though comes at a time when the Covid-19 pandemic over the past 16 months has impacted further on already stressed Council budgets, trimmed considerably in the previous decade by austerity policies.

What has been welcome in recent times is a growing recognition that the positive moves by Local Authorities, of all political complexions, to tackle the climate emergency have shown how essential the sector has become for developing net zero carbon emissions in the next decade. It is clear local government is willing to take up this challenge, but it often lacks the resources and crucially the expertise to move so quickly forward, and it needs urgent assistance in this area from central government, energy agencies and some of the new organisations put forward in the Climate Change Bill.

Despite all these positive moves, local government now needs new responsibilities and powers, and above all resource if it is going to be ambitious as it wishes to be. Clearly, the devolution to local authorities of powers and responsibilities on climate action is now urgent. Authorities obviously will also need adequate funding to meet their climate objectives. Central government needs to take this on board and facilitate change to bring new powers and access to new funds. Without local government's assistance, it will be very hard for national climate targets to be met. This is particularly the case across the island of Ireland, where there is an urgent and pressing need to give new powers to councils in this area of policy. In considering the Climate Change Bill the Forum are keen to bring these matters to the Committee's attention.

Despite the obvious funding crisis in local government, this report shows there are still ways to fund the local transformation required including via grants, borrowing and investing, as well as new vehicles such as Community Municipal Investment bonds, and working with the community to establish energy co-operatives which can issue shares. The work of the Tipperary Energy Agency is the sort of model that could also transform the role of decentralised energy across the island of Ireland. There should be perhaps 11 (or combinations of that number) of such Energy Agencies in Northern Ireland in our view, and a strong encouragement to the Northern Ireland Executive to create the growth of similar groups in Northern Ireland is required.

As NFLA have highlighted in this and our growing suite of reports, which we strongly urge the Committee to read, the first step for any authority is to produce a robust and well considered climate change carbon reduction plan. Any plan should be developed in co-operation with the local community preferably by using modern forms of deliberative democracy to ascertain how citizens would like to see their local authority respond to the climate emergency.

The NFLA All Ireland Sustainable Energy Forum welcome that climate change carbon reduction and mitigation policy work have become a growing policy concern for most councils, and it urges that it should become the norm for all councils. This report acknowledges the big differences between local authorities in terms of their scale (urban and rural) and how they are structured. It is somewhat easier for the larger-sized councils to respond to the climate emergency and to commit resources to it. This also plays out in competitive bidding processes. There needs to be a consideration of providing a tailored approach to local government and the Forum calls on central government to work in partnership with it rather than pushing councils in competition with each other, as so often happens.

It is worth remembering for the future the positives of addressing the climate emergency in relation to place making and liveability and ultimately attracting investment. This will be critical for the future for all councils. This, and previous NFLA reports have shown that there are also different models Councils are developing in influencing and driving change to tackle the climate emergency and see the benefits of green jobs, green infrastructure and an inclusive

future. The pandemic has challenged all sectors of the economy like never before, but the climate emergency is an even bigger crisis that will remain and need to be tackled over the next two – three decades.

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