

To:
Green Finance Strategy Team, BEIS
evidence.gfs@beis.gov.uk

22nd June 2022

Update to Green Finance Strategy – Call for Evidence

This letter is submitted on behalf of ADEPT by David Dale, Policy Officer (contact details below). It is not confidential.

ADEPT is a professional membership association representing Place Directors from county, unitary and combined authorities across England, along with Local Enterprise Partnerships, sub-national transport boards and corporate partners drawn from key service sectors throughout England.

General comments

We support the government's intention to update the UK's Green Finance Strategy to reflect important policy and legislative milestones over the last two years. That includes the Net Zero Strategy, the Environment Act, the Levelling Up and Regeneration Bill, and emerging work to update the National Adaptation Programme. It is encouraging to see a cross-departmental approach from government with BEIS, HMT and Defra all involved. DLUHC will also have an important contribution to make, not least in respect of the planning aspects of the Environment Act and the environmental aspects of the Levelling Up and Regeneration Bill.

We welcome the opportunity to make some initial comments now, and to suggest ways in which further engagement with the local government sector can be secured to contribute to the review (not least because the timescale of this call for evidence is considerably shorter than that for many government consultations). This consultation should be the start of an ongoing conversation with local government and ADEPT would value the opportunity to contribute to that conversation. We set out below some of our existing work on green finance, and an example of some of the local innovation being driven by our members as they address climate actions and environmental improvements on the ground locally.

Our main interest relates to the questions in the call for evidence about ensuring broad access to green finance for local authorities:

17. How can the UK financial sector support the delivery of the UK's climate and environmental objectives at the local level, whilst also benefitting local growth and communities?

18. How can local authorities support the mobilisation of private and public investment to key sectors and technologies for the UK's climate and environmental objectives, whilst also meeting local priorities? What barriers to this are there?

19. What is the current state of capability within local authorities to attract investment, and how can it best be supported?

Existing work

One of ADEPT's key roles is to drive innovation and share best practice across the place-based services delivered by local authorities. We responded to the original Green Finance Strategy by addressing it through our thought leadership programme *Excellence in Place Leadership*, with input from BEIS and the financial services sector. We subsequently published our [Green Finance Toolkit for Place Leaders](#).

In May ADEPT published its updated policy position on [Climate Change and Green Growth](#). This states that on green finance, we will help councils maximise the public and private investment funding available to them to deliver their climate and nature action plans. Over the coming months we will update our *Green Finance Toolkit* to capture the experience gained by members during the last two years and to reflect the updated Green Finance Strategy. We will work with partners to develop further thought leadership and training opportunities for our members. We will integrate this with our work on green procurement to help local authorities use their commissioning and procurement activities to develop low carbon opportunities in their supply chain, and to ensure that their purchasing power across the organisation is aligned with and driving their climate action plans.

Over the last 18 months we have been building our relationship with CIPFA, in order to facilitate more effective working between Place Directors and Chief Finance Officers in local authorities. We co-produced four joint webinars in 2021, focusing on issues such as towards net zero and a green recovery, building the business case for renewable energy, sustainable procurement for places and measuring a council's carbon footprint. There is now an ADEPT representative on the new CIPFA Sustainability Forum. Future areas for collaboration include :

- Co-designing / delivering of a one-day green finance training course – building on the experiences of those ADEPT members at the forefront of this agenda
- Establishing a finance working group, co-chaired by a Place Director and Finance Director
- Developing metrics / non-financial reporting on sustainable development goals
- Exploring ways to demonstrate to Chief Finance Officers that the risks associated with innovation programmes are acceptable and the financial benefits are able to be realised.

Local Net Zero Forum

The Net Zero Strategy (October 2021) included a commitment to establish a Local Net Zero Forum to improve engagement between national and local government senior officials. We welcomed this commitment and were delighted to be invited to join the Forum. One of the four proposed work areas for the forum is Funding Local Net Zero: we are advocating that this should be an immediate priority with a task and finish group established as soon as possible. This is a timely opportunity to do a robust piece of work that can feed into the update to the Green Finance Strategy.

Following the work of the task and finish group and the updated Strategy, we suggest that there should be a green finance equivalent of the Local Net Zero Forum. This would bring together senior officials from the relevant government departments (BEIS, HMT, Defra, DLUHC) with those from local government – to include both Place Directors and Chief Finance Officers. We would be pleased to work with colleagues to draft some terms of reference and potential work areas for a Local Green Finance Forum.

Local innovation

There is innovative work already being progressed in local authorities to enable them to capture the benefits of the emerging green finance markets. Plymouth City Council for example have already well-advanced work to establish a habitat bank, proactively providing a solution to the delivery of the new biodiversity net gain requirements in a manner that maximises the benefits for people, the environment and development industry.

This work was born out of a full review of green finance opportunities funded and supported by the Future Parks Accelerator programme: a collaboration between the National Trust and the Heritage Lottery Fund designed to support local authorities to deliver new ways to use and fund urban green and blue spaces to positively meet current and future challenges. Plymouth City Council has also recently secured three bids from the Natural Environment Investment Readiness Funding (NEIRF) to further progress work on habitat banking, blue carbon and sustainable urban drainage.

The learning emerging from these pioneer places is invaluable in terms of progressing and upscaling the ability of green finance to support the delivery of the country's net zero ambitions, delivery of the 25 Year Environment Plan and the levelling up agenda. Plymouth and others are already starting to evidence the value of a joined-up approach to green finance development and roll out to ensure best value and focusing a new model of blended public private finance to maximise resources for local and national policy delivery.

Next steps

We would value the opportunity to discuss the points raised in this letter and identify how we could work together to accelerate the delivery of new green finance models in a way that maximises benefits and creates virtuous circles where local authorities enable private finance to be secured to deliver national environmental objectives.

David Dale

Policy Officer

ADEPT – Association of Directors of Environment, Economy, Planning and Transport

Email daviddale2401@gmail.com

Mobile 07772 513812