

## Comprehensive Spending Review: ADEPT representation to HM Treasury

24<sup>th</sup> September 2020

### Introduction

The Association of Directors of Environment, Economy, Planning & Transport (ADEPT) welcomes this opportunity to submit a representation ahead of the Government's Autumn 2020 budget.

Whilst this spending review will focus on government expenditure for the next three years, it is framed by the government's response to the pandemic and the legislative requirement to deliver net zero carbon by 2050. We want to see the Government driving/enabling a post-Covid recovery that prioritises public spending and policy on low/zero carbon programmes aligned with achieving a net zero economy and supporting sustainable and inclusive economic recovery. We therefore welcomed the Chancellor's commitment that *"this is going to be a green recovery with concern for our environment at its heart"* (8<sup>th</sup> July).

Place Directors are at the forefront of local Covid-19 recovery and renewal. It is not enough to return to the old normal – having transformed at pace over the past six months, we need to (continue to) forge forwards. As we look to get the economy back on its feet we must 'build back green': to create jobs, develop new and essential workforce skills to build resilience against future shocks, boost local supply chains, deliver significant energy savings including alleviating fuel poverty, and health and wellbeing benefits. All will contribute significantly to achieving the net zero target.

Widespread behavioural change in response to government action to contain Covid-19 offers an unparalleled opportunity to accelerate and deliver the clean growth ambition. Finance must be aligned to support this. A further period of austerity is not the answer. ADEPT is part of a coalition of local government, environmental and research organisations which has published a [blueprint for accelerating climate action and a green recovery at the local level](#). This sets out 5 immediate priorities for a green recovery – low carbon and resilient infrastructure, re-skilling for a net zero economy, retrofitting homes and buildings, enabling active travel, and accelerating tree planting and green infrastructure.

Our Covid-19 economic analysis (<https://www.adeptnet.org.uk/documents/local-economic-recovery-renewal-key-findings-report-ey-adept>) with EY, concludes that the immediate impact of the pandemic will affect local economies differently as a result of their sector, business and workforce composition and capacity. A locality focus will be necessary to achieve local recovery and renewal; a 'one size fits all' model would confine recovery. We also believe that we need to go further than economic recovery into the renewal and transformation of environment, economies and places, something we also feel is fundamental to achieving the Government's levelling up ambitions.

The pandemic highlighted the critical but often overlooked importance of local services – highways maintenance, public transport provision, waste management, access to green spaces – for local

businesses and communities. Using a variety of means and ways, local councils have continued to provide these essential services despite an overall reduction of £16bn of core grant over the past decade. In addition, local councils' spending is increasingly focused on social care services, meaning they have cut what they spend themselves on housing, transport, planning, and cultural and leisure services by 40% or more per person.

We need to move away from too many short-term initiatives and silo-based funding from Government departments that results in 'competition fatigue' and discourages collaboration between local councils. What we do need is a 'levelling up' between local and central government roles; where local and national government work together to understand the interventions best considered at national, sub-national or local levels and across government departments.

### **Key asks for MHCLG budget allocation:**

- The 2020 Spending Review must provide both long term certainty and greater levels of funding for local councils. Children's and adults' social care need to be properly funded, but not at the expense of key preventative place-based economic growth, infrastructure and environmental services that help create prosperous, healthy, independent and resilient communities, and prevent demand growing exponentially in our care services in the short, medium and long-term. Long term certainty maximises the value of taxpayers' money and helps local councils to set new long-term strategies.
- To help local councils and their partners boost local growth following the UK's exit from the European Union, it is vital that the Budget kick-starts the consultation process for the UK Shared Prosperity Fund (SPF), the successor scheme to EU funding. We would like to see departmental silo funding streams replaced with place-based funding allocations. In addition, the appraisal processes behind SPF funding allocations must reflect the true value of environmental and social impact in order to support a green recovery and hit our net zero carbon targets.
- A proactive, well-resourced planning system is vital to delivering sustainable homes and places. Local councils' planning capacity has been significantly reduced due to budget cuts. The recent Planning White Paper contains proposals for a radical reform of the planning system which would 'front load' the planning process and reduce the role of development control for individual applications. It is essential that local councils are funded to recruit planners and train them in the new skills required, and to replace specialist ecology and heritage skills in order to deliver the ambition of the White Paper. From a strategic point of view however, we believe that the Planning White Paper misses a once-in-a-generation opportunity to place the climate and biodiversity emergencies at the heart of the English planning system.
- Housing is a 'gateway issue' that ties together infrastructure, people, place and a productive business environment. We welcome the Government's commitment to a significant increase in housebuilding and believe that this can only be delivered through a combination of private and public sector investment. There need to be more opportunities for local councils to borrow for housing and infrastructure projects at favourable rates. More housing generates additional demands on local services and infrastructure (transport, utilities, digital, green spaces); these must be properly resourced if we are to deliver high quality places where people want to live and work.
- *See also 1) our recommendation for MHCLG to work with Defra and DfT on tackling ash dieback and planting street trees and 2) to work with Defra, DfT and BEIS on a zero carbon and economic restart Live Lab programme.*

### Key asks for BEIS budget allocation:

- The opportunity to accelerate our efforts into developing the low carbon economy is now. It must also go hand in hand with supporting existing communities to become net zero and climate resilient. One immediate priority is improving the energy efficiency of domestic households, particularly older housing stock, which emit 22% of carbon emissions. Not only are people unknowingly pumping out more carbon from their homes than they realise, they are also spending more on energy bills than is necessary and which could lead to fuel poverty. Whilst we welcome the Social Housing Decarbonisation Fund Demonstrator (£50m), there are 25-27 million households in need of greater energy efficiency. We need to move at pace and scale if we are to meet the 2050 net zero target. We need a well-funded multi-year national retrofit programme – [NEF](#) estimate £8.6 billion to retrofit 8.7 million homes over 4 years - coordinated at a local council level, that would allow large scale insulation, renewable energy and heating installations to be carried out across social housing and beyond. The co-benefits include significant job creation and reduced household bills.
- Finance must be aligned to support the Government's commitment to a clean and low carbon future as set out in the Clean Growth Strategy. In particular, the department should look to maximise opportunities to incentivise low carbon via local council procurement - and lead by example itself to encourage other government departments and agencies to follow suit. Business cases must demonstrate the priority of clean growth and the contribution to cutting emissions, and the Green Book requires amending to do this.
- BEIS must require Local Industrial Strategies to prioritise the shift to a low carbon economy and then plan for / fund the green skills needed to achieve this alongside supporting an ambitious research and innovation programme. It is critical that delivering clean and green growth in the UK is not at the expense of increased emissions in other countries (i.e. embedded carbon).
- *See also our recommendation for BEIS to work with Defra, DfT and MHCLG on a zero carbon and economic restart Live Lab programme.*

### Key asks for DfT budget allocation:

- The local road network needs long-term investment, and at double the current level. Failure to act will potentially see up to 40% of all classifications of road fall into significant disrepair within a decade, rendering them unsafe for all forms of road users. Inevitably, this will inhibit rather than facilitate growth. In order to tackle the maintenance backlog – recent [industry research](#) estimates this to be £11.14 billion - ADEPT is calling for the establishment of a five-year funding settlement of £2 billion per annum for the local road network, as is the case with the strategic road network.
- Transport is the largest sectoral contributor to carbon emissions in the UK and has not decarbonised in the way that energy supply has. We welcome the department's commitment to publishing a Decarbonising Transport Plan this autumn. Critical to its successful delivery is strong leadership from Government aligned with the appropriate policy framework, funding and legislative support for local councils to deliver more sustainable transport opportunities including bus/cycle/ walking/light rail options along with associated improvements to streetscapes in towns & cities, and electric vehicle charging infrastructure. In addition, strategic infrastructure (road, rail, aviation as well as housing) investment decisions must demonstrate the contribution to cutting emissions and climate resilience.
- The department is currently sponsoring eight Live Lab projects involving nine local councils and their partners in trialling new and innovative technologies on local roads and sharing

their learning with others (<https://www.adeptnet.org.uk/livelabs>). Schemes range from using unrecyclable plastics in road surfacing treatment to harvesting renewable energy from roads and innovative data analytics. This two year £23m programme, project managed by ADEPT, is already generating considerable interest (including from outside the UK) and transferable knowledge and will help to drive the adoption of low/zero carbon technologies and adaptations across the highways sector. We propose the Government builds on the success of the first wave of Live Labs and finances a second, larger cohort of projects.

- *See also our recommendation for DfT to work with Defra, MHCLG and BEIS on a zero carbon and economic restart Live Lab programme.*

#### **Key asks for Defra budget allocation:**

- The Environment Bill is looking to forge a new environmental partnership with local government, and ADEPT local council members have strong ambitions to deliver. Once the bill receives royal assent, all individual revenue spending requirements will need to be funded. This includes additional work for local council planning teams to deliver biodiversity net gain in planning applications and the necessary training to acquire these skills and the development of Local Nature Recovery Strategies. In addition, there is an urgent need for greater provision of, and access to, green spaces. Covid-19 has shown the importance of access to parks, footpaths and countryside for people's physical and mental health. [Recent research](#) has found that 1 in 5 people in England struggle to access quality green space, with BAME communities disproportionately affected. Ease of access to green space is a major inequality and must be addressed.
- ADEPT is supportive of the aspirations set out in the draft England Tree Strategy (<https://www.adeptnet.org.uk/documents/england-tree-strategy-consultation-response>). That support is dependent on local councils being resourced with the appropriate tools and resources to deliver on these ambitions, including the ambition to plant 2 million street trees. In addition, ash dieback is becoming a very real and increasingly costly issue for local councils. This is both from a public safety perspective and a management/replacement angle. Whilst we welcome the Nature for Climate Fund (£640m), a [recent study](#) estimates that the total economic cost of ash dieback in Britain to be £14.8 billion with more than half of the total cost expected to occur within the next 10 years. Additional planting requires capital funding whilst maintenance is considered as revenue expenditure; our recommendation is that local councils should be able to approach tree removal and replacement in a 'totex' type way. Defra must work with DfT and MHCLG alongside local councils and professional bodies like the Tree Council on an integrated, strategic response.
- Building on the success of the local highways Live Lab programme (see above), ADEPT proposes that Defra funds a net zero carbon and economic restart Live Lab programme (<https://www.adeptnet.org.uk/documents/adept-proposal-zero-carbon-and-economic-restart-live-lab-programme>). We see a golden opportunity to join up the climate agenda with the drive to both restart and renew our economy post Covid-19. Every ADEPT local council member has declared some form of carbon reduction commitment, and this proposal would avoid seeing the climate change agenda marginalised. These Live Labs would allow rapid change, innovation and experimentation to take place by acting as incubators of solutions that deliver these twin outcomes and are scalable elsewhere nationally. To be truly successful we recommend that MHCLG, DfT and BEIS must also be involved.

### **Key asks for DCMS budget allocation:**

- Local councils are already supporting government in part financing fibre broadband rollout. Currently, 97% of residential and business premises in England receive speeds greater than 30 megabits per second ( $\geq 30$  Mbps). Just under 25% of England is served by full fibre broadband connections, where the gigabit internet download speeds are the equivalent of 1,000Mbps. To facilitate the shift to homeworking, catalysed by Covid-19 and potentially a permanent change for many, continued and more investment is required to increase gigabit internet coverage well above 25% and beyond densely populated urban areas into more rural locations.
- Provide the legislative and funding framework to enable local councils and their delivery partners to deliver gigabit capable digital networks in strategic locations such as HS2, key growth corridors, major route networks, etc; and to help local councils handle the increased pace of intervention and commercial broadband infrastructure rollout over the next few years around key issues such as wayleaves, street works and guidance.
- Allocate funds towards a demand stimulation programme and increasing the digital skills of residents and businesses.

### **About ADEPT**

ADEPT is a professional association that represents executive 'Directors of Place' from county, unitary and combined authorities, along with directors of local enterprise partnerships, sub-national transport bodies and corporate partners drawn from key service sectors. More than two thirds of households in England rely on services provided by ADEPT members including housing, environmental and regulatory services, planning, development, culture, and highways and transport. ADEPT represents its members' interests by proactively engaging central government on emerging policies & issues, promoting initiatives aimed at influencing government policy, and through the sharing of best practice, professional networking and development opportunities. Our current priorities include planning for a 'clean and green' recovery and renewal from the pandemic, responding to white papers on devolution and planning, the Environment Bill, publication of the National Infrastructure Strategy and continued negotiations relating to Brexit.