

Net Zero
Overarching Scrutiny Panel
Review



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Chair's Foreword

The climate emergency has a daily impact on our lives in Hackney. As residents we experience soaring temperatures and sudden floods. Climate change has a very real impact on our activities and well-being and impacts our physical and mental health. Poor air quality in London shortens lives disproportionately impacting residents who are more vulnerable economically and socially. Climate Justice is inextricably linked to economic, social and racial justice.

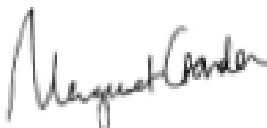
Many of us living in Hackney have close ties with the global south who experience even more devastating extremes of climate change. Hackney's communities have a proud tradition of campaigning and activism and many of our residents are at the forefront of climate activism.

In the May 2022 elections the vast majority of residents voted for parties committed to tackling climate change. With this background and Mayor Glanville's role as chair of the London Council's Transport and Environment Committee it is essential that Hackney is ambitious and innovative in tackling the climate emergency.

Following Mayor Glanville's declaration of a climate emergency and the council setting a target of net zero across council functions by 2040 Scrutiny Panel and the Scrutiny Commissions were determined to take central role holding the executive to account for the implementation of the policy. This report and its recommendations reflect an innovative way of working for Scrutiny in Hackney as it draws together thematic work across the commissions as well as by Scrutiny Panel.

All of the scrutiny work underpinning this report took place prior to the consultation of Hackney's draft Climate Action Plan. We welcome the ambitions of the plan particularly where it reaches beyond council functions but will continue to interrogate its delivery. In particular, it is a priority for us that the council engages widely across our communities that the developing plan draws on the lived experience of all Hackney's residents and that ensuring a just transition for all parts of our community is central to delivery.

I would like to thank the chairs, vice-chairs and all scrutiny commission members and everyone who gave evidence to the commissions for their contributions to this work as well as the Scrutiny team.



Councillor Margaret Gordon

Chair of the Scrutiny Panel

Introduction

The climate and ecological crisis is already having visible effects on the world - the earth is warming, rainfall patterns are changing and sea levels are rising. These changes are leading to increased extreme weather events, such as flooding and drought, are risking the supply of natural resources and are having a detrimental impact on human health. In Hackney we have seen this first hand, with a number of major floods being experienced in recent years - most notably in Finsbury Park.

Internationally, policy and decision makers are beginning to act. The Paris agreement underlines the need for net zero, requiring countries and territories like the UK to transition to a state in which the greenhouse gases going into the atmosphere are balanced by removal of greenhouse gases out of the atmosphere. Achieving net zero will require changes that are unprecedented in their overall scale, and meeting the national net zero target is considered one of the biggest, most complex and cross-cutting challenges that the UK faces.

Reaching the UK's net zero ambitions will require all tiers of government, businesses, institutions and communities to work closely together. In response, the Council declared a climate emergency in 2019 and has been building its vision to transition to net zero since. Hackney, and the UK generally, has made good progress in reducing emissions over the last decade, but it is recognised that faster and coordinated action will be needed to protect communities and the environment from the effects of climate change.

It is within this context that the Net Zero Review was established by the Scrutiny Panel in October 2021. It was set up to look at what is needed to meet both national and local net zero targets, and to ask how the Council could better meet its ambitions in a manner that is affordable, efficient and fair. We felt we could play an active role in stress-testing and querying assumptions in the development of local climate action, particularly in light of the pandemic, and support the Council to engage with key stakeholders in the locality to better understand and align priorities.

The way in which the review was approached reflects the scale of the net zero challenge and its cross-cutting nature. Through the Scrutiny Panel and thematic Scrutiny Commissions, we engaged, listened and learned from a range of organisations, businesses, industries and communities on a number of issues and policy areas from decarbonising buildings, transport and waste, to supporting the delivery of clean energy projects, managing a transition to a low carbon, circular economy and enabling green growth.

The recommendations made in the review reflect this extensive engagement, and we have sought to understand not only the barriers which are challenging the delivery of local action, but also the opportunities that can support local stakeholders in their net zero journey. While our recommendations are directed at the Council and key stakeholders, tackling climate change is a shared responsibility and we recognise the importance of ensuring that all of Hackney's stakeholders are actively involved in climate action.

Methodology

The review was an amalgamation of work by the overarching Scrutiny Panel and the thematic Scrutiny Commissions: Health in Hackney, Living in Hackney and Skills, Economy and Growth.

We gathered a range of qualitative and quantitative evidence to meet the aims and objectives of the review. The methods and sources used to gather this evidence are summarised below.

Desktop research and analysis

Desk based research was used to help establish the national legislative and policy framework which guides the UK's transition to net zero and to review key national data and trends, academic research and policy analysis in relation to climate change and net zero.

Consultation with local stakeholders

A range of local stakeholders were consulted as part of the review to establish local policy and practice in relation to climate change and net zero. As well as providing an opportunity to review localised data, consultation with local stakeholders facilitated a more qualitative assessment of climate action in Hackney.

Comparisons with other local authorities

To support comparative analysis of local climate action across the capital, London Borough of Harrow, London Borough of Waltham Forest, the Greater London Authority (GLA) and London Councils were invited to contribute to the review. Their involvement helped us to compare and benchmark policy and practice, and helped us to identify additional good practice where relevant.

Specialist contributions

Expert independent analysis helped us to gather further insight into the Council's path to net zero. This was provided through direct submissions to the review from Buro Happold, as well as desktop research and analysis.

Recommendations

	Monitoring, Governance and Leadership	Page
1	The Council should report back on how progress against the objectives of the Climate Action Plan will be measured and monitored, and how oversight structures including the Audit Committee, Scrutiny Panel and Scrutiny Commissions will fit into the monitoring framework.	17

2	The Council should explore establishing an appropriate and robust external governance framework to reflect that the transition to net zero is not focused only on its own activities, but also on those borough-wide emissions for which it is not responsible.	17
3	The Council should demonstrate how each service department will contribute in concrete terms to the management and delivery of the Climate Action Plan, and in particular the accompanying Three Year Implementation Plan , (both in terms of implementing actions, budgeting and continuing to innovate) for those areas that relate to their remits.	17
4	The Council should explore the ways in which it can improve its engagement on net zero with harder to reach groups and those least likely to engage in formal ways , such as those whose first language is not English, people with disabilities, young people, the elderly, people with low literacy levels and the digitally excluded.	17/18
	Investment and Finances	
5	The Council should undertake more detailed modelling on current and future spending on net zero-related policies, as well as the benefits derived from this expenditure , to develop a fuller understanding of the finance and resourcing needs of the transition to net zero.	20
6	The Council should collaborate with other boroughs and regional authorities to lobby central government to get external funding for the net zero agenda, and should proactively identify and respond to new funding opportunities as they arise.	20
	Housing and Corporate Property	
7	The Council should ensure its tenants and leaseholders are supported as much as possible to engage in low-carbon lifestyles , for example through welcome packs providing information and discounts at reuse and repair shops.	25
8	The Council should demonstrate how it will work with registered social landlords operating within the borough to coordinate actions on retrofit and other decarbonisation measures, and share examples of good practice for mutual benefit.	25
9	The Council should explore broadening the licensing requirements for additional houses in multiple occupation (HMO) and selective licensing schemes to cover the whole borough and include energy efficiency, retrofitting and fuel poverty requirements.	25
10	The Council should investigate and report back on the options and implications for expanding the provision of retrofitting and net zero advice to owner-occupiers and the private rented sector, and consider identifying retrofit champions who are willing to talk about their experiences of retrofitting.	25

11	The Council should report back on its longer term plan on how it intends to bring the corporate estate in line with the net zero goal , including its retrofitting programme and exploration of clean energy projects.	25
12	The Council should explore including within lease agreement requirements for its commercial property tenants to use renewable electricity, monitor usage and make energy-related information available .	25
	Transport	
13	The Council and Transport for London should review decarbonisation pathways for bus services in Hackney , particularly around the opportunities to accelerate the rollout of electrification technologies.	29
14	The Council should explore the ways in which it can improve the evidence base for increasing the uptake of active and sustainable travel choices across the borough, with a particular focus on the links with health, education and the local economy.	29
15	The Council should undertake a business perceptions survey to measure how local businesses view active travel and its impact on them, and how best to share information and engage with businesses on this agenda.	29/30
16	The Council should review current activity in promoting electric vehicles (EVs) across London and explore ways in which it can work more closely with vehicle manufacturers and operators to deliver consistent and high-quality provision that removes all barriers to uptake.	30
	Energy	
17	The Council should embed the use of Post Occupancy Evaluation (POE) and data sharing in its planning policy, on all developments where the building has been in use for a minimum of three years to ensure robust monitoring processes for energy performance and enable constructive dialogue with developers on energy efficiency.	34
18	The Council should report back on the current London-wide picture of decentralised energy projects and pipeline schemes that could provide opportunities for future programmes, and explore collaborative procurement/investment opportunities for renewable power with other boroughs and regional authorities such as the North London Waste Authority.	34
19	The Council should enhance communications around the benefits of installing solar panels and the support available to businesses and households .	34
20	The Council should keep the hydrogen production market under review , and where possible ensure all new or replacement boilers are considered for hydrogen gas heating .	34
	Education, Skills and Economic Development	

21	The Council should outline the progress it has made in embedding actions to reduce carbon emissions into internal procurement and management processes, and the options it is exploring to go further.	40
22	The Council should report back on the impact of waste management work and objectives to reduce waste arisings and improve recycling and food composting rates , and with particular consideration given to commercial waste.	40
23	The Council should undertake local business surveys to identify the nature and level of support needed for local businesses to decarbonise, and to map existing green businesses in the borough.	40
24	The Council should work with neighbouring boroughs and partner organisations to identify new solutions and traffic management options to reduce carbon emissions from freight and logistics.	40
25	The Council should work with other boroughs, training and education partners and businesses to map out the scale and nature of green jobs in London and in Hackney, to consider the implications this will have on education and skills training provision.	40
26	The Council should work with schools and educational settings to enhance the quality of climate education, create hands-on opportunities for children and young people during the development and retrofitting of council-owned properties, and encourage carbon reduction measures in play areas and grounds such as tree planting, Sustainable Drainage Systems and natural play spaces.	40
27	The Council should report back on its plans to align, expand and grow its Direct Labour Organisation (DLO) to be able to undertake carbon reduction measures, such as installing low carbon heat sources and retrofitting, as well as the progress it has made to date.	40

National Policy and Context

The role of central government

In 2018, central government set the UK's first net zero target to be reached by 2050 - the first major economy to do so worldwide. To guide this transition, central government has published its Net Zero Strategy, which sets out a wide-ranging set of policies and proposals to reduce greenhouse gas emissions for each sector in the economy, including the UK's share of aviation and shipping.¹

The Department for Business, Energy & Industrial Strategy (BEIS) has overall responsibility in government for achieving net zero. Historically, the Department for Environment, Food

¹ [Net Zero Strategy: Build Back Greener, UK Government](#)

and Rural Affairs (Defra) and the Treasury (HMT) have also played important roles in designing UK climate policy. The Ministry for Housing, Communities and Local Government (MHCLG) and Department for Transport (DfT) are responsible for policies that affect buildings and transport emissions, which will have an increasingly important role to play in reaching net zero. Having said this, the all-encompassing nature of achieving net zero means that all government bodies, including departments, arm's-length bodies and executive agencies have a role to play.

The Climate Change Committee (CCC) is a non-departmental public body that advises central government on the climate, and publishes progress and advisory reports. It provides a national recommended Carbon Budget (the limit for UK net greenhouse gas emissions over a period of time), which acts as stepped reduction targets to achieve the central government net zero target of 100% reduction by 2050. These are then set in law, following which the government is required to bring forward policies to deliver the targets.²

The latest is the Sixth Carbon Budget (which runs from 2033 to 2037), outlining the required greenhouse gas emissions reductions, along with the current policy gap to help the country achieve them. It requires a 78% reduction in UK territorial emissions between 1990 and 2035. If this budget is met it would reduce the UK's annual per capita greenhouse gas emissions by 2035 in line with pathways consistent with meeting the Paris 1.5°C goal.³

These are comprehensive targets covering all greenhouse gases and all sectors, including international aviation and shipping, intended to be delivered entirely in the UK without recourse to international carbon credits. Meeting the targets requires action from businesses and people across all sectors, led by central government.

National progress against net zero

The UK has a leading record in reducing its own emissions. The CCC's Sixth Carbon Budget estimates that, as of 2021, the UK had reduced its greenhouse gas emissions by 47% below 1990 levels. Between 2008 and 2018, the UK's emissions reduced by 28%, faster than any other G20 economy. There was a decrease of 10% on 2019 greenhouse gas emissions but an increase of 4% on 2020, as greenhouse gas emissions in 2020 had been significantly impacted by the response to the COVID-19 pandemic.

Most of this reduction has come from changes to how electricity is generated, with a switch away from coal and increasing amounts coming from renewable sources such as wind, nuclear and solar power. Reducing emissions further to achieve net zero will require wide-ranging changes to the UK economy, including further investment in renewable electricity generation, as well as changing the way people travel, how land is used and how buildings are heated.

The CCC also reports on the UK's progress against achieving net zero by 2050. In its latest progress report to Parliament in 2022 the CCC stated that although central government now

² [Sixth Carbon Budget, Climate Change Committee](#)

³ [The Paris Agreement, UNFCCC](#)

has a Net Zero Strategy in place and positive progress has been made, important policy gaps remain.⁴ For example, the CCC suggests clear progress has been made in the sales of electric cars, although the development of charging infrastructure for electric vehicles is not making fast enough progress.

Rates of improvement in building energy efficiency continue to be below the necessary level. Limitations include the cost of retrofitting, mainly weighted towards the homeowner and the potential difficulties of retrofitting in older properties, including those listed or in conservation areas. Deployment of renewable electricity capacity, especially offshore wind, has been strong, although additional renewables and nuclear power are needed to meet the 2035 national grid decarbonisation goals.

The CCC's latest progress report also outlines a number of major risks to the UK achieving its targets including policy gaps associated with 57% of future greenhouse gas emissions, a lack of clarity over public engagement, the need to ensure effective governance of the Net Zero Strategy, and the availability of skilled workers to fill the needs of new low carbon markets.

Local Policy and Practice

The role of regional and local government

The Greater London Authority Act 1999 sets out environmental improvement and sustainable development as core aspects of the Mayor of London's role. They also have a duty to publish a 'London Environment Strategy' which covers an assessment of, and policies related to, biodiversity, waste management, climate change adaptation and mitigation, energy and air quality.⁵

Some of the most visible powers of the Mayor are in their control of London's transport network which gives them considerable scope over the capital's carbon emissions and air quality, alongside substantial powers over planning (although the role does not have significant responsibility for land management).

The Mayor of London has set a target for London to be net zero carbon by 2030 and selected a preferred pathway to net zero - the Accelerated Green pathway. Amongst other things, achieving this will require a nearly 40% reduction in the total heat demand of London's buildings, 2.2 million heat pumps in operation in London by 2030, 460,000 buildings connected to district heating networks by 2030, a 27% reduction in car vehicle km travelled by 2030 and fossil fuel car and van sales ended by 2030 and enforced in line with government's existing commitments.⁶

Local government has a key role to play in delivering net zero by 2050. Many local authorities have declared climate emergencies, and some have developed strategies and

⁴ [2022 Progress Report to Parliament, Climate Change Committee](#)

⁵ [London Environment Strategy, Greater London Authority](#)

⁶ [London Net Zero 2030: An Updated Pathway, Greater London Authority](#)

action plans to deliver net zero targets by 2050 and in some cases sooner. Local authorities play an important role in decarbonising local transport, buildings, energy and waste, and the overarching powers held by local authorities such as for spending, borrowing, investment and procurement will also be important in reducing carbon emissions.

Not only does local government drive action directly, but it also plays a role in communicating with, and inspiring action by, local businesses, communities and civil society. Although few emissions are within their direct control, 82% are within the scope of influence of local authorities, and around a third are dependent on sectors that are directly shaped or influenced by local authority practice, policy or partnerships.⁷

We know that local leaders are well placed to engage with all parts of their communities and to understand local policy, as well as political, social and economic nuances relevant to climate action. They can decide how best to serve communities and how to integrate activity so that action also delivers wider benefits - such as for fuel poor households, the environment and biodiversity, and the provision of green skills and jobs.

The case for local climate action

In 2020, the Council undertook an assessment of where Hackney's greenhouse gas emissions come from, looking at most recent available data at the time (2018).⁸ It showed that the type and amount of fuel used in buildings and vehicles are the biggest part of Hackney's territorial emissions, and most of these were from the fuel used in buildings, like gas-powered heating and using electricity for lighting and appliances. Cars and motorbikes create about 44% of emissions and LGVs about 37%, and buses emit the remainder. 74% of emissions are from consumption emissions, which come from a diverse range of goods and services.

The Council has also modelled the 'pathways' of actions and changes that would reduce emissions from buildings and vehicles, which requires direct changes to the energy systems and roads within Hackney. The modelling showed the actions that need to occur in Hackney include supporting the retrofit of public and private buildings, swapping gas boilers for low-carbon heat sources, tightening controls on the emissions produced by existing and new buildings, encouraging active travel and transitioning to electric vehicles and supporting businesses and communities to reduce greenhouse gas emissions in the products and services they use.

Reaching net zero will therefore require not only changes to energy systems and low-carbon infrastructure but behaviour shifts in how we travel, what we buy and how we use energy in our homes. The CCC's 2021 progress report estimates that practical solutions alone can only deliver 41% of required national greenhouse gas reductions - 59% of emission reductions will rely partially or wholly on behaviour changes.⁹

⁷ [Local Authorities and the Sixth Carbon Budget, Climate Change Committee](#)

⁸ [Net Zero Energy Strategy, London Borough of Hackney](#)

⁹ [2021 Progress Report to Parliament, Climate Change Committee](#)

Hackney has made progress in reducing emissions - the Council has committed to a 45% reduction in its own emissions (which equate to around 5% of the whole borough's emissions) by 2030 and net zero emissions by 2040. While the Council's emissions only account for about 5% of the borough's overall emissions, it also has a number of regulatory levers that can influence change on an estimated 25% of borough-wide emissions. Since 2010, borough-wide emissions from buildings and road transport in Hackney have fallen by about 27%.

Other organisations in the borough are taking a lead, too - Homerton University Hospital NHS Foundation Trust, for example, has achieved the Planet Mark in recognition of its efforts to reduce emissions and report its progress. It is the first hospital in the country to achieve this, and has maintained its certification since 2017, and the hospital has successfully cut its greenhouse gas emissions by 9.2%.¹⁰

Hackney's Climate Action Plan

Hackney's Climate Action Plan (CAP) was presented to Cabinet in October 2022. It provides a framework for businesses, organisations and individuals in Hackney to take action to reduce emissions and adapt to climate change.¹¹

We heard that the CAP will continue to be developed to keep pace with shifts across society, technology and wider policy, including the changing needs of communities, groups and organisations in Hackney.

The CAP aims to:

- Outline what a greener Hackney could look like by 2030 based on a fair and just transition.
- Build a shared understanding of the climate crisis and how stakeholders can work together to reduce emissions and adapt to climate change.
- Identify areas where local partners can collaborate on key strategic challenges such as financing and policy change.
- Outline proposals for monitoring and governance arrangements, as well as future stakeholder engagement.

Alongside this plan is a Three Year Implementation Plan, which provides a set of proposed actions for the Council to undertake over the next three years that contribute to delivering the goals and objectives of the CAP.¹²

A number of implementation levers have been identified by the Council:

- Strategies, research and plans such as better planning guidance to enable domestic retrofit and new housing and transport strategies.

¹⁰ [Homerton Hospital Trust, Planet Mark](#)

¹¹ [Hackney Climate Action Plan 2023-30, London Borough of Hackney](#)

¹² [Hackney Implementation Plan 2023-26, London Borough of Hackney](#)

- Partnerships and private sector collaboration and convening such as working with London Councils, other local authorities, housing associations, anchor institutions and key utility providers.
- Education and training such as better signposting and reskilling staff
- Delivery and flagship projects such as business as usual work and retrofit pilots of social housing.
- Regulations, licensing and planning such as lobbying for changes in domestic and non-domestic minimum energy efficiency standard (MEES) regulations and the scheduled Local Plan 33 update.

Monitoring, Governance and Leadership

Climate action cuts across all council departments and functions, and will involve the continued engagement of key stakeholders across Hackney. While every local authority's response is different, there are likely to be common themes underpinning good governance, leadership and political direction.

We therefore queried whether there was clear political and corporate leadership of the response to climate change in Hackney, how the Council will approach stakeholder engagement and whether there was a committed governance and monitoring process driving the response forward.

Political leadership

We heard that there are two Cabinet Members with overall responsibility for driving the Council's transition to net zero. The Cabinet Member for Environment and Transport has overall responsibility for climate change, including responding to the climate emergency, mitigation, adaptation and public awareness. The Cabinet Member for Families, Parks and Leisure has responsibility for the Council's tree programme and cross-cutting work on green infrastructure, nature recovery and biodiversity.

Having said this, due to the cross-cutting nature of the transition to net zero, all Cabinet Members will have a role to play and will need to work closely together if the Council is to achieve its ambitions. For example, the Cabinet Member for Housing has some responsibility for the retrofitting of council homes, the Cabinet Member for Employment, Human Resources and Equalities for green skills and jobs and the Cabinet Member for Delivery, Inclusive Economy and Regeneration for the planning service and economic development.

The Mayor of Hackney also holds a number of key roles regionally in respect of the climate crisis, as Chair of London Council's Transport and Environment Committee and a Member of its Leader's Committee. The Mayor is also Co-Chair of the Green New Deal Advisory Group which supports the Green New Deal workstream of the London Recovery Board.

Corporate governance

The Council's transition to net zero of solely its corporate functions will require mobilisation and leadership across the organisation, ownership of particular elements of the overarching CAP and involve transformational work across almost all functions.

We heard that work is ongoing to establish whether additional internal governance structures are needed to manage this area of work in the future and maximise its impact. This is coupled with work to develop a clearer picture of corporate roles and responsibilities to ensure the Council reduces duplication or overlaps, makes clearer distinctions between strategic and delivery roles and confirms key accountabilities for targets and progress.

The Environmental Sustainability Board was established in 2019 to coordinate the work across the many functions of the Council that were either in train or needed in response to the risks associated with climate change, loss of biodiversity and pollution and waste. The Board is Co-Chaired by the Group Director for Finance and Corporate Resources and includes in its membership Cabinet Members and key officers covering a range of functions.

The Strategic Officers Climate Group is the key tool for delivering the Council's Three Year Implementation Plan and is made up of leads for each thematic area, as well as expertise in communications, engagement, finance, procurement, economic development and employment and skills. It meets bi-monthly, and can also establish task and finish groups to address specific challenges and work streams that may arise where appropriate.

We were told that the London Councils Climate Change programmes were established in 2019 to develop common priorities for climate action plans across London Boroughs, establish a common approach to climate change data and reporting and coordinate climate change action across the capital and nationally.¹³ The Strategic Director for Sustainability and Public Realm and the Group Director for Finance and Resources are members of the Cross Director Climate Coordination Group.

As part of this work, the Council was chosen to lead on the low carbon development programme which seeks to support local authorities to secure low carbon buildings and infrastructure via borough planning. The Head of Planning and Building Control is a member of the Lead Borough Coordination Group.

There are also a number of other programmes being led by boroughs across the capital:

- Retrofit London - London Boroughs of Enfield and Waltham Forest
- Low Carbon Transport - London Borough of Kingston and City of Westminster
- Renewable Power for London - London Borough of Islington
- One World Living - London Borough of Harrow
- Building the Green Economy - London Borough of Hounslow
- Creating a Resilient and Green London - London Borough of Southwark

While each local area is different, each will also share many challenges and opportunities in their journeys to net zero. We were pleased to hear that the Council was committed to building on its existing relationship with London Councils on the climate change agenda to

¹³ [Climate Change Programmes, London Councils](#)

develop better regional and sub regional relationships to promote collaboration and enable stronger collective advocacy.

Monitoring

A key part of future governance arrangements will be to monitor, evaluate and report the progress of action against the objectives of the transition to net zero. It should be noted, however, that local authorities do not currently have to monitor or report reductions in their own or area emissions, and reporting remains inconsistent across local government without national guidance and standardisation.

Since undertaking the review we have heard that the Council expects to adopt the monitoring approach proposed by London Councils using the London Energy and Greenhouse Gas Inventory for borough-wide greenhouse gas emissions, and the Local Partnerships Greenhouse Gas accounting tool for greenhouse gas emissions.¹⁴ This will be cross referenced with other data sources including the BEIS UK greenhouse gas emissions statistics published annually (though these only include territorial emissions).¹⁵

We were pleased to hear that a defined monitoring framework for Council emissions is scheduled to be presented to Cabinet in May 2023, and that there is ongoing work with other boroughs via London Councils to look at ways of coordinating reporting and monitoring processes. Progress against the objectives of the transition to net zero will be reported through the Environmental Sustainability Board, as well as through existing commitments to produce an annual report to the Full Council. We look forward to receiving a clearer outline of the outcome measures and monitoring framework at a future Scrutiny Panel meeting.

We heard that the Audit Committee had undertaken a deep dive review to seek assurance that internal governance and monitoring arrangements are robust and the future delivery programme is aligned with the capital programme. However, it was not clear what future role it would have in the oversight of climate action, and we came away with a sense that there is a need for structures such as the Audit Committee and the Scrutiny Panel and Commissions to retain a close interest in the delivery of local climate action.

We also heard that the Council recognised that broader external governance and oversight arrangements will need to be developed to ensure it is not solely focused on council activities, but also on a range of borough-wide greenhouse gas emissions for which the Council is not responsible and may have lesser influence. We feel this is important as it will not only allow the Council to monitor borough-wide progress, but also help to develop trust and buy-in from key stakeholders and communities.

Stakeholder engagement

The success of the transition to net zero also depends on the continued involvement of Hackney's residents, businesses and organisations, and climate action across the UK has

¹⁴ [London Energy and Greenhouse Gas Inventory \(LEGGI\), London Datastore](#)

¹⁵ [UK greenhouse gas emissions statistics, UK Government](#)

emphasised the need for a more in depth and longer term approach to the engagement of key stakeholders in local areas.

We heard that current plans in this area include developing a future Hackney Net Zero Partnership to convene partners and businesses (including major landowners, public institutions, large businesses and large housing associations), aligning existing networks and key partnerships with the objectives of the CAP and developing a more diverse range of engagement and participatory methods.

So far, the Council has led a mix of project-based statutory consultations and broader digital and place-based resident engagement on Low Traffic Neighbourhoods (LTNs), School Streets, the Parking Enforcement Plan and other walking and cycling proposals. In addition to these projects, the Council has worked with already-engaged residents, external stakeholders and experts and local groups on its Air Quality Action Plan and Local Nature Recovery Plan.

We were told that there have so far been two large scale public engagement events on the transition to net zero in Hackney. The first was held with voluntary and community organisations and the second with a demographically representative group of residents who debated the key elements of the Council's net zero ambitions. Whilst this is encouraging, we feel that more can still be done to ensure that the voices of harder to reach groups and those least likely to engage in formal ways are included in the transition to net zero.

Climate action cuts across all council departments and functions, and involves the engagement of a number of key stakeholders across the borough. For an effective response there needs to be visible ownership and leadership - both collectively and individually.

We have been encouraged to hear about the Council's leadership championing and directing action on climate change, and feel that a shift in mindset and culture is beginning to be seen across the organisation. However, we feel that more can be done to establish clear governance and monitoring arrangements, ensure staff from all departments are clear on their role in helping the Council reach its climate goals, and ensure all of Hackney's stakeholders are active partners in the journey to net zero.

Key recommendations:

Recommendation 1

The Council should **report back on how progress against the objectives of the Climate Action Plan will be measured and monitored, and how oversight structures including the Audit Committee, Scrutiny Panel and Scrutiny Commissions will fit into the monitoring framework.**

Recommendation 2

The Council should **explore establishing an appropriate and robust external governance framework** to reflect that the transition to net zero is not focused only on its own activities, but also on those borough-wide emissions for which it is not responsible.

Recommendation 3

The Council should **demonstrate how each service department will contribute in concrete terms to the management and delivery of the Climate Action Plan, and in particular the accompanying Three Year Implementation Plan**, (both in terms of implementing actions and budgeting) for those areas that relate to their remits.

Recommendation 4

The Council should **explore the ways in which it can improve its engagement on net zero with harder to reach groups and those least likely to engage in formal ways**, such as those whose first language is not English, people with disabilities, young people, the elderly, people with low literacy levels and the digitally excluded.

Investment and Finances

Access to finance is a key cross-cutting issue for local authorities in delivering net zero across all sectors. Reaching net zero will require major investment from both the public and private sector and a realignment of council finances to ensure climate change is embedded in all financial decisions.

We therefore sought to understand the likely cost of transitioning to net zero, as well as the various sources of financing available to local authorities, businesses, organisations and individuals.

Cost of transitioning to net zero

The CCC's Sixth Carbon Budget estimates that UK low carbon investment each year will need to increase from around £10 billion in 2020 to around £50 billion by 2030. Other analyses have come to broadly similar conclusions - in a July 2021 report on fiscal risks, the Office for Budget Responsibility estimated a net cost of the UK reaching net zero by 2050 to be £321bn, or just over £10bn per year.¹⁶ In London, the Mayor's Accelerated Green Pathway is estimated to require at least £75 billion of investment between now and 2030 in infrastructure and £108 billion in total by 2050.

At the same time, continuing economic volatility is impacting Hackney's residents at a local scale through the cost of living crisis - reducing take home pay for many, alongside the rise in costs of basic essentials such as food or energy. The Council itself continues to face significant financial challenges over the medium term and the resources needed to finance the transition to net zero are significant.

Looking at wider plans for decarbonisation across the Council's estate, for example, major investment will be needed in the short/medium term to retrofit Council owned buildings, including social housing stock, and to improve insulation and energy systems, even if there may be savings to be derived in the long term from reduced waste collections, energy efficiency and energy generation activities. Other Hackney stakeholders will share similar

¹⁶ [Fiscal risks report July 2021, Office for Budget Responsibility](#)

challenges in funding their journey to net zero, too - for example, homeowners and landlords will need access to affordable financial products, such as loans and green mortgages, and large organisations will need to work together to attract private investment.

We heard that the Council will therefore need to target available budgets where it will have the most impact either by match funding to pull in external grants or by investing in projects that draw in other investment. All of the actions needed to transition to net zero requiring additional funding will need to be considered in light of budgetary cost pressures, both revenue and capital, and the external factors impacting its finances, such as increasing inflation (especially in the construction sector), the impact of the cost of living crisis on income collection and the rising cost of borrowing.

In the near term, however, investment could support the UK's economic recovery following the pandemic and seek to mitigate the impacts of the current energy crisis. In the medium and longer term, investment could generate substantial fuel savings, as cleaner, more-efficient technologies replace fossil fuel and, in time, these savings could cancel out the investment costs entirely. The CCC's Sixth Carbon Budget estimates that net costs for the transition will be below 1% of GDP throughout the next 30 years. In addition to cash returns, investment may also unlock wider benefits such as local economic stimuli, improved health outcomes reducing the ongoing cost of healthcare services, job creation and opportunities to reskill and the alleviation of fuel poverty.

Sources of finance

We heard that, unlike businesses, local authorities have to run balanced budgets and cannot borrow for day-to-day spending, though they can undertake longer term borrowing at low rates (for example for capital programmes). On average, around 40% of local authority income is from Council Tax, nearly half is from government grants and the rest from business rates, and well over half of these resources are spent on education services and adult and children's social care (much of which is allocated in ringfenced grants).

As of October 2022, £25 million from 2022/23 to 2024/25 had been earmarked as part of the Council's existing programme of climate related works, and private sector investment worth £11.56 million had been secured to support the transition to net zero. We were pleased to hear that the Council is taking the next steps in identifying sources of funding and capital investment for itself and other key stakeholders across Hackney such as grant funding from central government, borrowing, local climate bonds, private sector capital and carbon offsets. However, it was clear that there was still significant work to do in this area, especially in terms of planning for the period 2025 to 2030.

An important part of the funding landscape is the diverse range of grant funding schemes provided by central government to support local delivery. However, we were told that central government has not yet provided certainty on its long-term funding plans for key areas of the transition such as retrofit and energy efficiency, and that some characteristics of the funding landscape have caused barriers to take-up and the effective delivery of climate objectives. For example, fragmentation of funding into multiple schemes for specific purposes makes it more complex to find funding and limits delivery across multiple objectives, and short

delivery timescales limits the ability to plan for the longer term and develop the capacity and skills needed for net zero.

We heard that as a result of the pandemic and cost of living crisis, some major funders such as Transport for London (TfL) and the GLA are facing uncertainty with their finances, making it difficult to state what level of funding will be granted for future years. Like the Council, they too are dealing with risks associated with high inflation and interest rates and increasing energy prices. Clearly, there is a huge gap in funding and innovative funding solutions need to be explored as well as leveraging in funding from central government.

In many ways the cost of net zero and the availability of finance is the most significant challenge for the Council in meeting its net zero goals, given the need to realign already stretched finances and mobilise substantial investment from a wide range of organisations outside of its direct influence.

We were reassured there is a clear recognition across the organisation of the scale of investment needed, and that some work has been undertaken to identify possible partners and sources of funding to support local climate action. Having said this, more work needs to be done to establish the finances needed for net zero-related policies, and to work in partnership to ensure sources of funding are available for the net zero agenda.

Key recommendations:

Recommendation 5

The Council should **undertake more detailed modelling on current and future spending on net zero-related policies, as well as the benefits derived from this expenditure**, to develop a fuller understanding of the finance and resourcing needs of the transition to net zero.

Recommendation 6

The Council should **collaborate with other boroughs and regional authorities to lobby central government to get external funding** for the net zero agenda, and should **proactively identify and respond to new funding opportunities** as they arise.

Housing and Corporate Property

Housing stock across the borough varies significantly – from modern stock built at a small scale (such as infill in existing estates) through to larger scale post-war and interwar estates (some involving high-density blocks) to individual homes purchased on an ad hoc basis to meet local need. So too does the Council’s corporate estate, which includes offices, depots, libraries and community halls, all of which are hugely varied and range in design, construction and use.

We queried how the Council is planning to understand and act on the need to adapt existing housing stock and its corporate portfolio to address the impacts of climate change, as well as how it is planning to ensure new homes are climate resilient.

Council housing

The Council manages and maintains over 30,000 homes (a third of Hackney's housing stock), approximately two-thirds of which are tenanted and one-third of which are leasehold. More than 90% of its homes have one, two or three bedrooms, and the majority (55%) date from the mid-century period of 1945 to 1970, with a further 31% dating from between 1970 and 2000. It also has a small but significant proportion of older and very new properties, each of which have specific maintenance requirements.¹⁷

We heard that energy consumption in council housing can be reduced through retrofits, such as adding insulation to roofs and walls, installing double glazing and replacing existing power sources with renewable sources like heat pumps and solar panels. However, like many other local authorities, the Council anticipates various challenges in retrofitting its housing stock. Perhaps the greatest challenge is the availability of finance - at a time in which the Council has limited means due to competing demands for its resources.

We were told that the capital investment levels required across the Council's housing stock, including the level of external funding available, puts the average costs between £20,000 to £70,000 per unit. Based on funding and assumptions as of late 2021 and taking the mid-range cost of £50,000, the estimated shortfall per unit was £30,000. This is the equivalent of £700 million of funding which cannot be funded through the Housing Revenue Account without external funding. While government schemes have increased the public funds available, but not yet to the level required, and private finance solutions are not yet widely available.

The Council will also need to consider the cost of retrofitting to those living in council housing - electricity is more expensive than gas (even with recent gas price increases), and any move to low carbon heat solutions across its housing stock will likely see average household energy costs increase. There will also be cost implications for leaseholders, and leasehold properties will require the agreement of the freeholder to undertake modifications, adding further complications. We came away with a feeling that, for those tenants and leaseholders who may be worried about what retrofit means for their homes, lifestyles and finances, coproduction and engagement will be crucial.

Clearly, there needs to be a significant amount of public and private finance measures mobilised for retrofit, and for this to happen there needs to be local and regional coordination. We were encouraged to hear that the Council is engaging with London Council's Retrofit London workstream which, amongst other actions, seeks to identify the ways in which boroughs can coordinate applications for government funding and assess borrowing and private investment opportunities, as well as to introduce a series of metrics and reporting measures to guide boroughs' retrofitting activity.

We know that housing associations make up a large proportion of landlords in Hackney and manage a significant number of homes across the borough. We were told that, while there are significant differences between the Council and housing associations both in terms of their approach to stock management and their underlying economic model, there is a wide

¹⁷ [Housing Asset Management Strategy 2019-27, London Borough of Hackney](#)

range of retrofit actions and activities which will need to be undertaken by housing associations for Hackney achieve its net zero ambitions. We came away with a sense that, while these could happen in parallel, there is every reason to build bridges between the two programmes where appropriate.

Private sector housing

The private rented sector (PRS) has approximately 35,000 units across the borough, and has seen a significant increase over the last 10 to 15 years. Around a third of Hackney residents now live in the private sector - it represents the fastest growing private rented stock in the UK over the last 20 years, increasing from around 3,000 units in that time. We heard that around a quarter of Hackney's housing stock belongs to homeowners, which is around half the London average and significantly lower than the national average of 63%.¹⁸

There are steps that the Council and its partners can take to promote better energy use in existing private stock, but the limits to council action will be especially keenly felt in this area. In most respects, influence on private sector housing is likely to be limited to new builds and overall planning policy. We were told that the Council has more leverage over private rented stock than it does over owner-occupier stock, as powers and funding schemes do not extend to the owner-occupier sector.

We heard that the Council is looking to increase retrofits and energy monitoring in private properties, and encourage retrofits in conservation areas and heritage buildings where appropriate. Good work is already underway in this area - for example, Hackney Light and Power is supporting private rented and owner-occupier households to improve the energy efficiency of their homes through the Green Homes Programme.

We were encouraged to hear that the Council had been giving advice to renters, landlords and owner-occupiers about the steps they can take to improve the energy efficiency of their homes. This includes basic information on what retrofit is and why it is important, as well as signposting to relevant support and further guidance. It was clear, however, that such support is limited by a lack of resourcing and capacity amongst officers, despite the willingness and skillset to do so.

However, like the Council, landlords and homeowners will face their own set of challenges when it comes to retrofit. For landlords, the cost of retrofitting is high - we heard that 85% of landlords in Hackney are amateur landlords (owning 1-3 properties), and that many found retrofitting to be too expensive. The financial benefits are uncertain or unclear for some, especially as the main beneficiaries of retrofit action in the short-term tend to be tenants rather than landlords themselves. In response, landlords in the borough are increasingly reviewing their stock (e.g. selling properties that are complicated/expensive to retrofit) which could have an impact on the local housing market.

We heard that the PRS in Hackney is mainly made up of older stock with more complicated retrofit requirements, and, to many landlords, retrofit can therefore appear to be excessively

¹⁸ [Hackney Housing Strategy 2017-22, London Borough of Hackney](#)

complex. In addition, mixed ownership is increasingly common in Hackney, with ownership often complicated by the distinctions of freehold and leasehold. Changes to building fabric are easier if the building is owned by a single household or entity (such as a detached house or a housing association block of flats) - for example, leasehold properties may require the agreement of the freeholder to undertake modifications, and multi-tenement flats can also be hard to alter given that the agreement of all households is needed to make changes.

We were told that properties which are listed may have further restrictions to what can be done without gaining approval from the Council - around 22% of properties in Hackney are in conservation areas, higher than the London average of 17%. Improving the energy efficiency of historic homes whilst protecting the character and appearance of their conservation area can therefore seem daunting.

New homes delivery

Between 2022 and 2026, the Council is looking to build, or will support partners to build, around 1,000 new homes. The Council's house building programme contributes to approximately 4% of the total carbon emissions in the borough, which equates to 14% of those which it has strong/direct control over.¹⁹

We heard that where new housing is needed, optimising material use, reusing building materials and selecting low carbon and recycled products reduces their climate impact, as well as making them energy efficient. We were told about the encouraging work undertaken by the Council on existing house building programmes such as De Beauvoir Estate Phase 1, which will see gas boilers replaced with air source heat pumps (which is expected to reduce on-site regulated carbon emissions by 49%).

However, the Council anticipates that there will be various challenges in bringing future programmes in line with its net zero ambitions. We heard that challenges exist in the construction sector, where the pace of change has been slower than in other sectors - the regulatory landscape is complex, and for many construction firms net zero is not yet seen as practical or realistic.

The social housing sector faces other pressing priorities and there are also trade-offs to be made between building net zero carbon homes or addressing, for example, fire safety, the needs of the ageing population, housing need or homelessness. For example, current limitations on non-combustible materials and facades, for instance, prevent the use of timber technologies on buildings over 18 metres or six stories.

We were told that another trade off is between the additional cost associated with building net zero carbon homes and the viability and/or profitability of development and possibly the affordability of those homes. Without additional funding or subsidy, developers may need to make difficult choices around the number of homes they build and the level of carbon saving that can be achieved.

¹⁹ [Building new council homes. London Borough of Hackney](#)

Council strategic property

Similarities can be drawn between the Council's efforts to retrofit its council housing stock and that of its corporate estate (the buildings it occupies to deliver the services it provides) - however, there are notable differences in both the approach and the challenges faced.

The corporate estate varies widely - from office spaces such as Hackney Service Centre and those leased to voluntary and community organisations, through to depots, libraries and civic spaces like Hackney Town Hall. We heard that the diversity of the corporate portfolio brings with it specific retrofit challenges, and that the Council is in the early stages of trying to understand the current characteristics and levels of energy efficiency of the corporate estate.

We know that the estate is largely made up of older buildings with more complicated and potentially costly retrofit requirements, and properties in the estate vary in both their running costs and the revenue they generate - meaning the approach taken to retrofitting one property may vary considerably from the approach taken to another. We came away with a feeling that more could be done to understand the retrofit requirements of the corporate estate, especially in regards to energy efficiency and retrofit requirements.

We were told that the Council is currently simultaneously focused on reducing council occupancy of the corporate estate due its potentially complicated and costly retrofit requirements. In recent years it has moved out of over 100,000 square feet of office space - reducing its carbon footprint as a result. In moving out of Keltan House, the Council has been able to invest against the future revenue stream to improve fixtures and fittings within the building and replace its gas boiler with an electric heating system. This is an example of how repurposing buildings can help the Council to reduce its overhead costs, whilst creating opportunities to invest in upgrading the performance of assets.

There are also other commercial and smaller properties used by the voluntary and community sector within the Council's corporate portfolio. We heard that once a building is leased the Council has limited scope to ensure that tenants use carbon reduction measures, though in some instances it does retain some responsibility for the fabric of the building. However, we did come away with a sense that more could be done to encourage commercial property tenants to use renewable electricity, monitor usage and make energy-related information available to the Council.

These issues are not only felt by the Council - other businesses, organisations and institutions will face similar challenges as they seek to retrofit their property portfolio and we heard that there is considerable opportunity for shared learning in this respect. Homerton University Hospital Trust, the biggest acute provider in the borough, has been looking at innovative ways to retrofit their properties. For example, it had installed cost-effective window solar control films to prevent overheating problems and was in the process of auditing all chillers installed onsite, which may lead to an average 20% to 30% reduction of cooling energy consumption.

Reducing carbon emissions from buildings is one of the biggest challenges facing the
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Council in its transition to net zero, yet it is uniquely placed to drive forward retrofit locally, both through acting on its own stock and by utilising its connections to local stakeholders.

We have heard that progress is being made in understanding the opportunities to retrofit existing council-owned buildings, and in ensuring that new council homes are energy efficient. Despite this, we feel that more work could be done to engage with tenants, leaseholders, other registered providers, owner occupiers and the private rented sector, and to establish pan London retrofitting metrics and collaborative opportunities to drive retrofit forward.

Key recommendations:

Recommendation 7

The Council should **ensure its tenants and leaseholders are supported as much as possible to engage in low-carbon lifestyles**, for example through welcome packs providing information and discounts at reuse and repair shops, and **consider identifying retrofit champions** who are willing to talk about their experiences of retrofitting.

Recommendation 8

The Council should **demonstrate how it will work with registered social landlords operating within the borough** to coordinate actions on retrofit and other decarbonisation measures, and share examples of good practice for mutual benefit.

Recommendation 9

The Council should **explore broadening the licensing requirements for additional houses in multiple occupation (HMO) and selective licensing schemes** to cover the whole borough and include energy efficiency, retrofitting and fuel poverty requirements.

Recommendation 10

The Council should **investigate and report back on the options and implications for expanding the provision of retrofitting and net zero advice to owner-occupiers and the private rented sector**, and **consider identifying retrofit champions** who are willing to talk about their experiences of retrofitting.

Recommendation 11

The Council should **report back on its longer term plan on how it intends to bring the corporate estate in line with the net zero goal, including its retrofitting programme and exploration of clean energy projects.**

Recommendation 12

The Council should **explore including within lease agreement requirements for its commercial property tenants to use renewable electricity, monitor usage and make energy-related information available.**

Transport

Transport is responsible for 6% of Hackney's carbon emissions. The vast majority (70%) of transport-related emissions in the borough are from private cars or motorbikes. Reshaping the local transport system to reduce reliance on cars and shift towards low carbon public transport, cycling and walking will therefore play an important role in the move to net zero.

We questioned how the Council is integrating sustainability and climate resilience into its transport plans, and took time to understand its efforts to improve electric vehicle (EV) charging infrastructure and encourage more walking and cycling in Hackney.

Public transport

The Council has significant influence over public transport in the borough through its partnerships with neighbouring local authorities, different tiers of government, public transport operators and related sectors.

More residents using public transport decreases the amount of carbon emissions in the borough, and we heard that an efficient public transport network can reduce congestion and pollution and make streets more attractive for walking and cycling. The Council is therefore planning to continue its work to support the provision and accessibility of public transport in Hackney, encouraging a greater uptake of public transport journeys.

We heard that rail accounts for around a quarter of all commuter trips in the borough and, unsurprisingly, the majority of these trips originate from areas in which there is good access to London Underground and Overground services. However, we did hear that there remains gaps in provision of London Underground rail services, overcrowding on services (particularly on the London Overground) and accessibility issues at some stations.

We were pleased to hear that the Council is continuing to work with the DfT, rail operators such as TfL and Network Rail, neighbouring boroughs and a range of advocacy groups and non-government organisations to improve the railway network in the borough. For example, the Council has worked with TfL and Network Rail to secure accessibility improvements to Hackney Central Overground Station, including a new second entrance, an additional staircase and new cycle parking.

We were told that buses are the most significant form of public transport provision in the borough, with 48 day bus routes in operation and around 455 bus stops - in fact, Hackney has the highest mode share of bus users of all London Boroughs. TfL controls routes, frequencies and fares in the borough, and we heard that TfL would likely continue to review the bus network in response to changing travel patterns and as a result of the large drop in fare income experienced during the pandemic.

We were concerned to hear that the impact of current and future cuts to bus services across Hackney may challenge the Council's net zero ambitions. The current funding landscape is fragmented and uncertain and it is recognised that large scale cuts and reductions in bus mileage will make it harder to increase the number of public transport trips and thus reduce carbon emissions. We therefore feel it is important that the Council uses its influence, alongside other boroughs and the GLA, to push for longer term funding certainty and work together to respond as new transport-related funding initiatives are announced.

We were told that the Council wishes to see a rapid electrification of the bus fleet in Hackney - at the time of the review, there were only two electric bus routes that served the borough

(routes 106 and W15) with additional routes (43, 214) serving the periphery. These buses do not emit harmful emissions, and also cut congestion, with a double decker carrying more than up to 80 times the number of passengers as a car. However, electrification of bus routes is enabled through TfL's bus tendering programme, and councils have limited scope to engage and facilitate a further rollout of zero emission buses in their local areas.

Active travel

Walking and cycling are the least carbon-intensive ways to travel, and many of the trips taken by households with cars could have been walked and cycled. This may not only make roads quieter, safer and more attractive for others to walk and cycle, but may also bring local economic co-benefits and improve people's health.

We heard that the Council can play an important role in increasing walking and cycling in Hackney through influencing planning and providing the infrastructure to enable active travel. Hackney's Transport Strategy sets out the Council's vision to create an environment whereby people actively choose to walk and cycle as part of everyday life.²⁰

The Council has introduced one of the largest active travel programmes in the country, with 19 LTNs and 48 new School Streets now being introduced. We were told that it is also reducing road and parking spaces to support the promotion of walking, cycling and climate resilience and introducing sustainable urban drainage networks to reduce traffic and open up Hackney's roads for cleaner uses.

The most recent LTNs have been focused on areas with greater population densities, social distancing and air quality challenges. Some were introduced due to their proximity to the south of the borough and the traffic changes planned for the City of London, and a more general need to develop a contiguous network of neighbourhoods without too many gaps. We were told that results from traffic counts of recent LTNs shows traffic decrease of 38% inside LTNs can be achieved.

We heard that, for School Streets, the priority now is to manage the existing schemes whilst continuing to introduce new School Streets where these are possible and would benefit the area. Tailpipe emissions were down 74% on school streets and, on average, 30% more children were walking to school and 51% more children were cycling or scooting to school. More generally, Hackney has the highest levels of residents cycling to work in London at 15.4% of all commuter journeys, almost four times greater than the London average of 4.3%.

We were pleased to hear that the Council recognised the need to evidence demand for active travel and to closely monitor and measure its benefits, and in particular to ensure it listens to feedback from residents. We heard that, with this insight, the Council will be able to ensure schemes can be adapted, extended or reduced depending on what the data shows, and it can also evidence the benefits of such schemes and whether they have contributed to a mode shift in travel.

²⁰ [Hackney Transport Strategy 2015-25, London Borough of Hackney](#)

For example, the Council has introduced new live traffic monitors across the borough to monitor changes in traffic patterns, and as a result of public feedback it has introduced exemptions for Blue Badge holders from bus gates on Shepherdess Walk, Downs Road, Richmond Road and Stoke Newington Church Street. However, we did come away with a sense that more could be done to engage those key stakeholders, particularly local businesses, that are directly impacted by the rollout of active travel schemes in the borough.

As with other areas of local climate action, we were concerned to hear that access to funding remains one of the main risks to the successful delivery of active travel in Hackney, and the implementation of the Council's wider transport goals more generally. Since the pandemic, and with TfL's own uncertain financial position, the funding mechanism for boroughs has been uncertain, with funding allocated for less than 12 month periods.

Electric vehicles (EV) charging infrastructure

Meeting the Council's climate ambitions will require a step change in the availability of EV charging infrastructure. A full transition to EVs is widely considered as one of the most important actions to achieve the UK's net zero target, with electric vehicles emitting far fewer greenhouse gases and air pollutants than petrol or diesel vehicles.

We heard that for those that still need to travel by car, sufficient infrastructure will be required to enable journeys to be made by the cleanest vehicles. Whilst the Council does not envisage being the long-term provider for EV charging infrastructure in the borough (the chargepoint market will have to strengthen to support the transition), it does have a role to play in catalysing the market and helping it in its early stages.

We were told that those people who still need to travel by car will be encouraged to adopt less polluting electric vehicles or use car sharing services, with Hackney Light and Power aiming to install over 3,000 EV charge points by 2030 to support this. It plans for most petrol and diesel vehicles in the borough to be phased out by 2030 - with 64% of cars and 68% of vans on the road expected to be battery-powered. It is also continuing to reduce emissions from its fleet of vehicles and associated infrastructure - charging points have been implemented across the borough depots and as of 2021/22 13.75% of the Council's road registered fleet were fully electric.

We heard that improving EV charging infrastructure will also require other businesses, organisations and institutions in the borough to contribute and take a lead. Important steps in this regard had already been taken by some - Homerton University Hospital NHS Trust told us that they had installed six EV charging points onsite, introduced four electric vehicles to its in-house fleet and is planning on introducing an all electric fleet of vehicles to its non-emergency patient transport service.

However, despite encouraging progress, the EV charging landscape remains a challenging area. Electric vehicles are still a relatively new technology and, although the Council is paving the way, many residents will be unaware or are just learning about the advantages of electric vehicles. The fear of running out of electricity, also known as range anxiety, is a

concern for many prospective EV owners, and the initial capital cost of vehicle ownership is difficult to overcome for some.

We heard that there are particular challenges for the Council in accessing often insufficient, uncertain and inflexible multiple funding streams and, even if government funding is secured, a proportion of the installation costs have to be met by the private sector given budgetary constraints. Other practical challenges exist too - the available capacity in the grid can mean installation in a specific location is not possible (or grid reinforcement costs make the scheme unviable), and there may also be footway or highway space restraints when considering a location.

Along with buildings, vehicles are the biggest contributor to Hackney's territorial emissions, and one where quick wins can be made. The Council is well placed to reshape the local transport system, working with key stakeholders to reduce residents' reliance on cars and shift towards low-carbon public transport, cycling and walking.

We were encouraged to hear that the Council has implemented one of the most ambitious active travel plans in the country, and recognises the importance of accelerating the rollout of electric vehicle charging infrastructure. However, we came away with a feeling that more could be done to work with regional bodies such as TfL and the GLA on funding and decarbonisation opportunities, and to improve the evidence base for increasing the uptake of active and sustainable travel choices.

Key recommendations:

Recommendation 13

The Council and Transport for London should **review decarbonisation pathways for bus services in Hackney**, particularly around the opportunities to accelerate the rollout of electrification technologies.

Recommendation 14

The Council should explore the ways in which it can **improve the evidence base for increasing the uptake of active and sustainable travel choices** across the borough, with a particular focus on the links with health, education and the local economy.

Recommendation 15

The Council should **undertake a business perceptions survey** to measure how local businesses view active travel and its impact on them, and how best to share information and engage with businesses on this agenda.

Recommendation 16

The Council should **review current activity in promoting electric vehicles (EVs) across London and explore ways in which it can work more closely with vehicle manufacturers and operators** to deliver consistent and high-quality provision that removes all barriers to uptake.

Energy

An increase in clean energy production is crucial to achieving net zero. Councils are integral to supporting the delivery of clean energy projects and sustainable development through the planning system, convening relevant local stakeholders and offering support and information for local community groups to undertake energy projects.

We therefore looked at how the Council is using its influence to facilitate a move away from fossil fuels, promote the development of clean energy infrastructure in Hackney and set out policies to encourage high levels of energy efficiency and sustainability in new builds.

Planning policy

The role of plan making in local authority areas will be important in achieving net zero. Planning offers the opportunity to set and implement the long-term strategic vision necessary to deal with the impacts of climate change, and drive forward action on decarbonisation.

It should be noted that planning policy can only directly shape the built environment and influence development through the planning processes and the production of planning policy and guidance - as such existing buildings that do not require planning permission are not subject to these policies.

We were told that there is currently a complicated planning landscape in the UK that impacts on achieving low carbon development locally. The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these should be applied.²¹ The London Plan, the overall strategic planning document for the capital, also sets out a comprehensive range of policies that underpin London's planning response to climate change.²²

We heard that there is a sense of uncertainty about the strength of the planning system due to current government proposals and recently implemented changes. The proposals set out in the Levelling Up White Paper have the potential to impact on the development of low carbon development objectives, and recent changes to permitted development rights has introduced less control in the planning system to require the adoption of climate mitigation and adaptation measures.²³

Whilst the Council's capacity for plan-making is therefore limited, it can work with developers on their obligations to support climate mitigation and adaptation, and include requirements that new buildings meet an improvement on current national standards. The Hackney Local Plan includes additional requirements in regard to climate change - for example, Local Plan policy LP55 provides requirements on net-zero carbon emissions that goes beyond building regulations. It is applicable to all of development - all residential developments, including

²¹ [National Planning Policy Framework, UK Government](#)

²² [The London Plan, Greater London Authority](#)

²³ [Levelling Up White Paper, UK Government](#)

smaller developments that form approximately 41% of planning permissions granted, as well as non-residential developments.²⁴

We were told that where developments cannot meet these requirements on-site, they will be required to provide off-site contributions which will be used by the Council to deliver equivalent off-setting. Any shortfall is provided by a payment in lieu contribution to the Hackney Carbon Offset Fund which is secured through a S106 agreement - for example, in 2020 the fund allocated a total of £775,020 to fund the Solar Pilot Leisure Centres Project and Green Homes Programme.

There is also a role for the Council in increasing the number of developments complying with policy and delivering on-site carbon savings once buildings have been built and occupied. We heard that Post Occupancy Evaluation (POE) is the process of obtaining feedback on a building's performance in use after it has been built and occupied, informing building users if their building is energy efficient and providing data to help understand how buildings are used compared to their design intention. We came away with a sense that more can be done to embed POE as standard practice to ensure all new buildings meet intended energy efficiency ratings.

We were encouraged to hear that the Council is leading on London Council's Low Carbon Development workstream, which sets out a pathway for London Boroughs to collaborate on policy making and guidance, strengthen and explore the planning levers for the delivery of low carbon buildings, use innovation to make low carbon more achievable and increase training and understanding within all council workforces. We look forward to hearing about the development and approval of the second two-year work plan in 2023, and the outcomes of the current work plan.

Low carbon heat

Heat networks (also known as district heating) are identified as one of the heating system improvements for use in Hackney, alongside heat pumps and electric heaters, and when combined with complimentary fabric retrofit.

We heard that, as gas boilers are phased out across the borough, feasibility studies into low carbon heat will be simultaneously investigated. This will include identifying Hackney buildings which are best suited to switching to low carbon fuel such as heat pumps and hydrogen boilers, and exploring the feasibility of district heat networks.

We were told that the Council is best-placed to understand local options for developing district heat networks given its connections to local stakeholders, wide-ranging responsibilities such as for social housing and its influence through the planning system. Heat networks supply heat from a central source to a variety of different customers such as public buildings, shops, hospitals, universities and homes and, by supplying multiple buildings, they avoid the need for individual boilers or electric heaters in every building.

²⁴ [Hackney Local Plan 2033, London Borough of Hackney](#)

We were encouraged to hear about the work in this area which has already happened locally - for example, the Council operates the Shoreditch Heat Network which serves Wenlock Barn, Cranston and Fairbank estates. Several private networks also exist in the borough, and a decentralised energy master plan study recently identified ten district heating opportunity areas for consideration including Dalston, Clissold Park and Woodberry Down.

We heard that a heat network is one of the most cost-effective ways of reducing carbon emissions from heating - their efficiency and carbon-saving potential increases as they grow and connect to each other, and many of the cheapest sources of low-carbon heat can only be used if there is a network to distribute the heat. We therefore feel that the Council should prioritise the implementation of heat networks, with a view to undertaking projects in the opportunity areas identified in the masterplan study as soon as practically possible.

Whilst it is recognised that new heating technologies can bring huge carbon savings, many are untried at the scale required. There are risks associated with using these technologies, such as high upfront costs and potentially higher fuel and maintenance bills. We came away with a sense that there is significant opportunity for the Council to learn from the experience, challenges and successes of other boroughs, as well as consider opportunities for boroughs to explore the feasibility of connecting heat networks sub-regionally and collectively consider investment and commercial models.

We were told that the suitability of different technologies may change in the future, and as such, it was important that the renewable technology market is kept under review to explore the opportunities that they may bring. In particular, hydrogen has gained increasing prominence as an energy source that can be used to contribute to net zero with a range of applications such as in the transport, energy storage and heating sectors.

However, while there is wide public interest in the use of hydrogen as an alternative fuel, the supply chain for hydrogen is underdeveloped and the hydrogen available is not low carbon at this time. We were pleased to hear that the Council was committed to evaluating viable alternatives like hydrogen to pursue, provided the goal of decarbonisation is achieved.

Renewable energy generation

To achieve net zero, electricity needs to be generated from a mix of low carbon, renewable sources. Renewable technologies use natural energy to make electricity, and fuel sources include wind, wave, marine, hydro, biomass and solar.

We heard that one way in which the Council was looking to balance energy use and reduce emissions in this regard is through the installation of solar panels. Installing solar panels across the borough can help residents, businesses and organisations to save on their energy bills, maximise their reductions on carbon savings and contribute to the decarbonisation of the energy grid. According to Buro Happold modelling, the Council could achieve the installation of 2,000 home scale solar PV installations and 200 larger scale PV

installations by 2030 - this, and existing PV sites, could generate around 5% of building energy demand by 2040.²⁵

We were told that the Council has committed to covering its own roof space with solar panels as part of its plans to retrofit Council-owned buildings across the borough. The first pilot projects were launched on West Reservoir Leisure Centre and London Fields Lido in 2021 and, following a feasibility study to identify the capacity for solar generation in the borough, a programme of works to start covering roof spaces began in 2022.

We were concerned to hear that the take-up of solar panels had slowed since the Feed-In Tariff scheme was closed by central government in 2019. We were therefore pleased to hear that Hackney Light and Power is raising awareness of the benefits of solar power and supporting businesses and residents to invest in renewable technologies - the Hackney Green Homes Programme, for example, supports private rented and owner-occupier households to invest in carbon reduction measures and the Community Energy Fund supports community groups to access funding and resources to work with local schools and other public institutions such as faith buildings, nurseries or playschemes.

We were told that wind energy projects can also be a relatively secure and affordable source of energy, and we were pleased to hear that the Council is looking to explore the feasibility of wind energy in the borough in the near future. If viable, residents may be able to invest in one or more turbines of their own, either as individuals or as a community group acting together, and the Council could take a similar approach and invest in their own wind energy projects (which could generate income which can be reinvested into more energy saving and renewable energy measures, or used to support budgets for other priorities).

Purchasing renewable power

Purchasing renewable energy is another way in which businesses and organisations can reduce their emissions in pursuit of net zero. This is done on the understanding that they will be reducing their own emissions, as well as contributing to national or global emissions reductions in order to combat climate change.

The Council's Sustainable Procurement Strategy sets out its ambition to maintain sustained growth of "green" electricity in its energy contracts, and we were told that the long term strategy for the Council is to move to high quality green tariffs and Power Purchase Agreements.²⁶ Long term power contracts such as Power Purchase Agreements are preferable to standard energy tariffs since they provide a predictable source of income to renewable generators, and directly drive investment in green renewable infrastructure.

Long term power contracts should also ensure the energy provider does not double count power supplied in its reporting, and that the revenue is used to fund and build new generators for the new supply required. We were told that the Council will pursue a power purchase agreement approach from 2025 onwards - as a minimum, it will transfer to an agreement which supplies 50% of electrical demand at net zero carbon supply.

²⁵ [Net Zero Energy Strategy, London Borough of Hackney](#)

²⁶ [Sustainable Procurement Strategy 2018-2022, London Borough of Hackney](#)

We were encouraged to hear that other Hackney stakeholders are also taking a lead in this area - Homerton University Hospital NHS Trust told us that they had been purchasing electricity only sourced from renewable technologies since April 2021, and New City College has recently signed contracts for renewable energy on selected campuses.

Increasing clean energy production through the delivery of low-carbon energy projects, developing policy and planning guidance and actively encouraging sustainable development all have the potential to provide significant carbon reductions in Hackney.

We have heard that the Council has set out policies encouraging high levels of energy efficiency and sustainability in new buildings, and is taking steps to rethink its own approach to energy generation and procurement. Having said this, we feel that the Council could do more to explore collaborative energy projects with other boroughs and regional authorities, keep recent innovations in the renewable energy market under review, and engage with residents, businesses and developers on the benefits of clean energy projects.

Key recommendations:

Recommendation 17

The Council should **embed the use of Post Occupancy Evaluation (POE) and data sharing in its planning policy on all developments where the building has been in use for a minimum of three years** to ensure robust monitoring processes for energy performance and enable constructive dialogue with developers on energy efficiency.

Recommendation 18

The Council should **report back on the current London-wide picture of decentralised energy projects and pipeline schemes** that could provide opportunities for future programmes, and **explore collaborative procurement/investment opportunities for renewable power** with other boroughs and regional authorities such as the North London Waste Authority.

Recommendation 19

The Council should **enhance communications around the benefits of installing solar panels and the support available to businesses and households.**

Recommendation 20

The Council should **keep the hydrogen production market under review**, and where possible **ensure all new or replacement boilers are considered for hydrogen gas heating.**

Education, Skills and Economic Development

The transition to net zero will change how we supply, buy, use and dispose of the goods and services we need, and is likely to create a number of economic opportunities for local areas. The role of local authorities in this respect is twofold, with them both managing a transition to a low carbon, circular economy and enabling green growth.

We therefore sought to understand the Council's role in reducing borough-wide consumption emissions and promoting a circular economy, how it is encouraging local businesses to transition to net zero, and how it can anticipate future skill needs to frame education and training responses appropriately.

Consumption

We heard that 74% of Hackney's total emissions come from consumption emissions - the emissions generated outside Hackney to create the goods and services used inside Hackney (for example, in manufacturing and delivery). Meat consumption, for example, is highly emitting - nearly 60% of emissions from food in Hackney are linked to meat production, including farming machinery and processes to rear and transport animals.

Individuals can influence the reduction of consumption emissions through changing how much we all consume, and what we consume, and a reduction in these emissions is also dependent on changes by manufacturers and service providers. The main area of influence for the Council in this area was therefore in encouraging local residents, businesses and organisations to change how goods are supplied, bought, used and disposed of.

We were encouraged to hear that the Council is working closely with other boroughs on London Council's One World Living workstream, which is being led by London Borough of Harrow in partnership with West London Waste Authority and Re London (previously known as London Waste Recycling Board). It aims to achieve a significant consumption emissions reduction in two thirds of London households by 2030, with an initial focus on electricals, food, plastics and textiles.

We heard that one way in which the Council is looking to encourage more circular thinking is by signposting households, businesses, and anchor institutions to guidance on reducing consumption emissions and possible procurement strategy changes. For example, it has launched a circular economy campaign (#ZeroWasteHackney 'Go Beyond Recycling') to help residents waste less and rethink resources.

We also heard that the Council is looking to embed actions to reduce consumption emissions through the Council's own internal procurement and management processes. However, we came away with a sense that more could be done to maximise the Council's procurement levers, understand some of the biggest challenges that suppliers face in meeting net zero standards, and look at what can be done to overcome them.

The Council is also supporting businesses, organisations and residents to maintain, repair and reuse goods. We were encouraged by the good work already going on in this area which is helping to develop a local reuse network through projects like the Library of Things in Dalston and reuse and repair hubs delivered with the Forest Recycling Project, Hackney Fixers, TRAIID and Hackney Dr Bike team.

We also heard that, as the responsible authority for providing local waste and recycling collections and for the processing and treatment of the waste and recycling collected, the Council has a significant role to play in reducing both household and business waste,

increasing recycling rates and maximising rates of food and garden waste composting.

There has been good work recently in this area, with the Council introducing fortnightly collections of residual waste to street level properties in early 2021, and establishing a team to provide education and enforcement in support of the change. However, we feel there is scope to provide further support, advice and training to residents and in particular local businesses on low plastic approaches and reducing food waste.

The Council is also exploring the ways in which it can raise awareness of and enable access to healthy and sustainable diets, by encouraging healthy and sustainable food to be supplied in local businesses/organisations, as well as procuring sustainable and healthy food for its own spaces. We were pleased to hear that it is supporting local sustainable food partnerships, working closely with the GLA Food Roots Incubator programme, and is leading the reducing food consumption working group as part of London Council's One World Living workstream.

Supporting local businesses to decarbonise

Hackney is home to a diverse ecosystem of small and medium sized enterprises (SMEs), all of which have different needs, priorities, building typologies, tenancy arrangements and sources of emissions. We heard that, of the 22,340 businesses in Hackney, 20,400 identified as a micro business (0-9 employees), 1,640 identified as a small business (10-49 employees), 225 identified as a medium-sized business (50 to 249 employees) and 45 identified as a large business (250+ employees).

Good work in this area is already underway at a pan London level. The Mayor's Green New Deal aims to double the size of London's green economy by 2030 by coordinating the economic, industrial and political foundations to allow the green economy to grow.²⁷ London Council's Building the Green Economy workstream, led by London Borough of Hounslow, is bringing together a range of stakeholders to outline the collaborative actions needed to reach this target.

We were told that, despite a positive appetite to change, there remain key barriers to local businesses transitioning to net zero, including high initial upfront and operational costs and a lack of information on how businesses can be more sustainable, technical advice on retrofitting and green business opportunities/networking.

Some businesses will find it easier to adjust and move towards net zero than others - we were told that London-wide data suggests that 23% of all businesses were not taking any action at all. There is therefore a clear role for the Council in supporting businesses to shift their practices, business models and procurement to align with net zero, which will require an understanding of the nature and level of support needed for local businesses to decarbonise.

²⁷ [A Green New Deal. Greater London Authority](#)

We heard that the Council and its partners were providing support, guidance and information to local businesses to support them in their transition to net zero. For example, the Zero Emissions Network, a partnership between the London Boroughs of Hackney, Islington and Tower Hamlets (and supported by the Mayor of London), offers free advice and services for local businesses to switch to low emission energy and travel options.

The Council had provided some of its own grant funding to local SMEs (for example through the Adapt Your Business business support programme and the Hackney Central Impact and Ideas Fund) to fund heat decarbonisation and energy efficiency measures. Co-operative financing mechanisms for community-scale and joint-owned services were also being explored, such as community-owned solar panels and retrofit networks which can spread the upfront costs of decarbonising buildings.

As well as the Council, there are a range of other bodies supporting SMEs to transition including the UK Green Building Council, Centre for Low Emission Construction, Federation of Small Businesses, London Growth Hub and Zero Business Network. Funding is available through both the GLA Greater London Fund and the Greater London Investment Fund, and we feel that there is a clear role for the Council in bringing together and raising awareness of the support and funding opportunities available to SMEs.

We heard that through-traffic linked to freight accounts for around a fifth of all traffic in Hackney, and 20% of greenhouse gas emissions are from freight and through traffic not caused by Hackney residents or businesses. We are encouraged by the Council's work to date to accelerate alternative, clean delivery models, such as cargo bikes, van sharing and last mile delivery service models which can contribute to reductions in emissions. However, increasing freight and logistics emissions are a growing concern in the capital, and we feel that there is a need to further develop understanding and work with partners and neighbouring boroughs to identify new solutions and traffic management options.

Education and skills

The transition to net zero is expected to drive employment opportunities across London. Analysis shows that by 2030, in a central scenario there could be 505,000 green jobs in the capital (a net increase of 50,000 jobs) reaching over a million by 2050. In the next decade alone, green jobs could increase by 8% a year.²⁸

We heard that green jobs are estimated to take up around 4.4% of total employment in London, and employment figures are currently highest in the power, homes and buildings and green finance sectors. Green jobs in London are predominantly high-level managerial, professional and associate professional/technical roles. The green workforce is highly qualified, and two thirds have first degrees or equivalent or higher qualifications - among those with vocational qualifications the most common subject areas are building and civil engineering, followed by electricity and energy. In terms of skills supply considerations, green sectors tend to draw staff from other sectors, rather than straight from education - we

²⁸ [Green Jobs and Skills in London. WPI Economics](#)

were told that around 1% of the workforce enter straight from full-time education each year, compared with 3% across all sectors.

Whilst there is a general understanding of current green jobs and skills in Hackney and London-wide, we came away with a sense that more needs to be done to understand the potential scale and nature of green jobs in the coming decades, and the implications this may have on education and skills provision. We were encouraged to hear that this is recognised in London Councils' Green Economy Action Plan, which highlights the uncertainty in defining 'green jobs', when they will be generated and at what scale, and what new skills will be needed.

We were told that, to ensure a sufficient skills supply for new green jobs in the borough, there is an urgent need to increase education provision in relevant subjects and courses, increase the proportion of those taking relevant courses who progress to green employment, and increase the flows from other sectors into green sectors, including through re-skilling training. It is widely accepted that more skilled workers will be needed in construction supply chains to retrofit building stock, and we heard that Hackney's green finance and technology sectors are likely to grow alongside other green industries like digital transformation and electric vehicle servicing/maintenance.

We heard that the Council is therefore working alongside its partners in London's skills system to give training opportunities to residents to provide them with the skills needed to work in green roles. This will include green apprenticeships and training pathways and reskilling and retraining and/or recruiting staff in its own workforce. We feel that there is therefore a clear opportunity to align green skills opportunities with the Council's own housing, corporate property and regeneration programmes, and create a pipeline of carbon reduction jobs.

The Council is working with schools and educational settings in planning for the skills demand of young people who are yet to enter the labour market, supporting workers already in the labour market with skills valuable in a zero carbon economy but who will need to upskill and support those whose livelihoods may be affected by the transition by offering retraining programmes for people so they can find new forms of work.

We were pleased to hear that there has been a large increase in the number of building construction courses offered and taken up in the borough over the past few years. New City College told us that they had exceeded their target numbers for building and construction courses across its campuses by somewhere between 20% and 32% (depending on the campus) for the 2021/22 year. However, we did come away with a sense that the Council could do more to engage and promote existing green training schemes and programmes like these, and make existing colleges and training programmes aware of the demand for specific qualifications such as in retrofit.

Schools and early years settings in particular have a role to play in supporting learning and raising awareness about climate change. Climate change covers a wide range of issues that provide a wealth of opportunities for learning across almost any subject. Physical measures that can be adopted to respond and adapt to climate risks and severe weather may also offer significant learning opportunities - for example, tree planting offers learning

opportunities as well as biodiversity, energy efficiency and air quality benefits, and softening play infrastructure through the use of sand, pea shingles or rain gardens not only slows rain run off, but can also be used as multi-purpose spaces for play activities and outdoor teaching as they will remain dry the majority of the time.

We heard that the Council is also using its influence to encourage businesses and partner organisations to consider what they can do to support the development of green skills locally. It works closely with contractors and developers to create Employment and Skills Plans (ESPs), which help to create employment and skills opportunities for Hackney residents through work experience, job creation, apprenticeships and training. While this is encouraging, we came away with a sense that more could be done to promote existing training schemes and programmes aimed at developing local green skills in the borough, and to expose children and young people in particular to green skills opportunities.

As well as working with schools and educational settings, businesses and partner organisations, the Council will also need to reskill, retrain and/or recruit to its own workforce to meet the needs of the climate emergency. To strengthen and better coordinate its climate action, the Council aims to build organisational skills, plans and capability more broadly across the organisation - for example, by providing carbon literacy training for senior managers and councillors on low carbon buildings and technologies. We heard that there is also a need to identify the skills required within its own workforce to support the Council's net zero work. We were encouraged to hear that the Council is looking at the ways in which it can align, expand and grow its Direct Labour Organisation (DLO) to enable it to undertake some of the retrofitting and clean energy work itself and reduce reliance on sub contractors. We feel that more can be done to develop the wider workforce's skills and understanding of climate emergency to ensure each service department is able to contribute effectively to the net zero objectives.

Climate change presents an opportunity to rethink local economic growth and move towards a cleaner, low-carbon economy. For this to happen, the Council needs to facilitate more circular thinking in the way that products are supplied, bought, used and disposed of, encourage businesses to shift to low-carbon practices, and to ensure a sufficient skills supply for new green jobs.

We were encouraged by the support being provided for local businesses and employers to understand some of the adaptive activities they may need to undertake, and to encourage more circular thinking amongst residents and businesses alike. Despite this, we came away with a sense that more could be done to provide practical support to local businesses to decarbonise and shift their practices, and to kickstart and provide training opportunities and confidence for the supply chain.

Key recommendations:

Recommendation 21

The Council should **outline the progress it has made in embedding actions to reduce carbon emissions into internal procurement and management processes, and the options it is exploring to go further.**

Recommendation 22

The Council should **report back on its waste management work and objectives to reduce waste arisings and improve recycling and food composting rates**, and with particular consideration given to commercial waste.

Recommendation 23

The Council **should undertake local business surveys** to identify the nature and level of support needed for local businesses to decarbonise, and to map existing green businesses in the borough.

Recommendation 24

The Council should work with neighbouring boroughs and partner organisations to **identify new solutions and traffic management options to reduce carbon emissions from freight and logistics**.

Recommendation 25

The Council should work with other boroughs, training and education partners and businesses to **map out the scale and nature of green jobs in London and in Hackney, to consider the implications this will have on education and skills training provision**.

Recommendation 26

The Council should work with schools and educational settings to **enhance the quality of climate education, create hands-on opportunities for children and young people during the development and retrofitting of council-owned properties, and encourage carbon reduction measures in play areas and grounds** such as tree planting, Sustainable Drainage Systems and natural play spaces.

Recommendation 27

The Council should **report back on its plans to align, expand and grow its Direct Labour Organisation (DLO) to be able to undertake carbon reduction measures, such as installing low carbon heat sources and retrofitting, as well as the progress it has made to date**.

Conclusion

Climate change is one of the biggest, most complex and cross-cutting challenges that the UK faces, and it will impact environments and individuals across all levels of society. Tackling climate change is a shared responsibility, and there are no clearly defined solutions, with different stakeholders taking different views on how net zero can be achieved.

Our work has highlighted the necessity of coordinated local action for lasting environmental, social and institutional change. When it comes to tackling the climate crisis, Hackney is one of the most ambitious councils in the country, which many others look to for inspiration. Having said this, faster and coordinated action will be needed to ensure national and local net zero targets are met and communities are protected from the effects of climate change.

Our work has led us to make a number of recommendations in key areas relating to decarbonising transport, buildings and waste, installing clean energy projects, encouraging green growth, and ensuring a sufficient skills supply for new green jobs. We hope that our findings and recommendations will help the Council and other local stakeholders to understand not only the barriers which are challenging the delivery of climate action, but also the opportunities that can support them in their net zero journey.

Throughout the review the importance of using the Council's convening power to agree solutions across the borough, rather than just focusing on the Council as an institution, was evident. There is a growing understanding that climate action needs to be holistic, and we hope that the Council will prioritise the continued involvement of Hackney's residents, businesses and organisations in any future action it takes in response to our findings.

Finance Comments

The Net Zero Review was established to look at how Hackney can better meet its ambitions to achieve net zero targets in a manner that is affordable, efficient and fair. The review engaged with a range of organisations, businesses, industries, and communities on issues such as decarbonising buildings, transport, and waste, supporting clean energy projects, and managing a transition to a low carbon, circular economy.

The report provides a set of recommendations to address the climate and ecological crisis, which will be implemented through the governance process. However, the direct financial implications of these recommendations are difficult to determine at this stage. It is important to note that the council is facing a significant revenue budget gap over the medium term to 2026/27, while its capital programme, including HRA schemes, totals nearly £1bn in the three years to 2026/27. Included in the capital programme is an investment of £61m in projects which contribute to the Council's net zero target. Current capital receipts are all earmarked for existing schemes, which means borrowing will increase to fund the capital programme. This borrowing includes both the medium term, where capital receipts are anticipated to be generated from the later sale of private homes, and the longer term, where there is no receipt generated. The council is required to set aside sums in its revenue budget to service the interest on its debt and repay the borrowing for this long-term borrowing. In 2023/24, £6.2m is budgeted for both these sums, but it is anticipated to increase to around £20m by 2026/27 (the end of the medium term period), increasing from 1.8% to 5.7% of the Council's net revenue budget. It is important to keep in mind that these figures will increase if additional capital projects are approved on to the capital programme which are financed via borrowing.

Taking forward the recommendations arising from this review should as far as possible be contained within existing budgets, both revenue and capital given the financial challenges facing the Council. Any recommendation requiring additional will need to be considered as part of the Council's budget setting process.

Legal Comments

The Scrutiny Panel / Scrutiny Commissions are empowered under Article 7 of the London Borough of Hackney's Constitution to undertake policy reviews generally and make suggestions for improvements.

The aim of the Commission in carrying out this review was to look at what is needed to meet both national and local net zero targets, and to ask how the Council could better meet its ambitions in a manner that is affordable, efficient and fair.

There is currently no legal requirement for the Council to achieve specific carbon saving targets. However, the Council is under a general duty to have regard to the environment in all decisions it makes, and national government has set a legally binding target to reduce national carbon emissions to net-zero by 2050. Furthermore, the Mayor of London has set a target for London to be net zero carbon by 2030.

Hackney's draft Climate Action Plan (CAP) was presented to Cabinet in October 2022 and approval was given for consultation to be undertaken on the CAP for a period of 10 weeks, which concluded in January 2023. The results of the consultation are currently scheduled to be considered by Cabinet in May 2023.

Legal Services note that the Panel has made a number of recommendations.

Appendices

Membership

Scrutiny Commission	Membership
Scrutiny Panel	Cllr Ben Hayhurst, Cllr Margaret Gordon (Chair), Cllr Sharon Patrick, Cllr Soraya Adejare, Cllr Sophie Conway, Cllr Polly Billington, Cllr Peter Snell and Cllr Clare Potter
Living in Hackney	Cllr Sharon Patrick (Chair), Cllr Anthony McMahon, Cllr M Can Ozsen, Cllr Ian Rathbone, Cllr Penny Wrout, Cllr Soraya Adejare, Cllr Ajay Chauhan and Cllr Clare Joseph
Health in Hackney	Cllr Ben Hayhurst (Chair), Cllr Peter Snell, Cllr Deniz Oguzkanli, Cllr Emma Plouviez, Cllr Kam Adams and Cllr Michelle Gregory
Skills, Economy & Growth	Cllr Polly Billington (Chair), Cllr Clare Potter, Cllr Steve Race, Cllr Gilbert Smyth, Cllr Anna Lynch, Cllr Jon Narcross, Cllr Fliss Premru, Cllr Claudia Turbet-Delof and Cllr Jessica Webb

Participants

Organisation	Attendees
Hackney Council	<p><u>Cabinet</u></p> <p>Cllr Mete Coban (Cabinet Member for Environment and Transport)</p> <p>Cllr Guy Nicholson (Deputy Mayor and Cabinet Member for Housing Supply, Planning, Culture and Inclusive Economy)</p> <p>Cllr Carole Williams (Cabinet Member for Employment, Skills and Human Resources)</p> <p>Cllr Clayeon McKenzie (Cabinet Member for Housing)</p> <p>Cllr Chris Kennedy (Cabinet Member for Health, Adult Social Care and Leisure)</p> <p>Cllr Sem Moema (Mayoral Advisor for Private Rented Sector and Affordability)</p> <p><u>Sustainability & Public Realm</u></p>

	<p>Aled Richards (Strategic Director of Sustainability and Public Realm)</p> <p>Andy Cunningham (Head of Streetscene)</p> <p>Ian Holland (Head of Leisure and Green Spaces)</p> <p>Sam Kirk (Head of Sustainability & Environment)</p> <p>Mary Aladegbola (Head of Energy and Carbon Management)</p> <p>Lucja Paulinska (Head of Operations – Hackney Light and Power)</p> <p>Matthew Carrington (Strategic Delivery Manager)</p> <p>Tyler Linton (Group Engineer - Sustainable Transport and Engagement, Streetscene)</p> <p>Katie Glasgow (Strategic Planning Manager)</p> <p>Rachael Weaver (Planning Policy Officer)</p> <p>Andrew Amoah (Project Manager)</p> <p>Barry Coughlan (Major Project Manager)</p> <p><u>Housing Services</u></p> <p>Steve Waddington (Strategic Director of Housing Services)</p> <p><u>Inclusive Economy, Regeneration & New Homes</u></p> <p>Chris Trowell (Interim Director of Regeneration)</p> <p>James Goddard (Interim Director of Regeneration)</p> <p>Suzanne Johnson (Head of Area Regeneration)</p> <p>Andrew Monk (Head of Employment, Skills & Adult Learning)</p> <p>Jasmin Ceccarelli-Drewry (Regeneration Officer)</p> <p>Simone van Elk (Strategic Delivery Manager)</p>
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	<p><u>Strategic Property</u></p> <p>Chris Pritchard (Director of Strategic Property)</p> <p>Ken Rorrison (Head of Strategic Design)</p> <p>Irina Mot (Strategic Asset Manager)</p> <p><u>Procurement</u></p> <p>Rotimi Ajilore (Head of Procurement)</p>
London Borough of Waltham Forest	James McHugh (Head of Housing Strategy)
London Borough of Harrow	Matthew Adams (Head of Natural Resources and Climate)
Greater London Authority	Philip Graham (Executive Director, Good Growth)
London Councils	Kate Hand (Head of Climate Change)
Department for Work and Pensions	Steve Hanshaw (Senior Partnership Manager)
Buro Happold	<p>Jon Gregg (Sustainability Engineer)</p> <p>Martha Dillon (Sustainability Consultant)</p>
Homerton University Hospital NHS Foundation Trust	<p>Tracey Fletcher (Chief Executive)</p> <p>Liam Griggs (Head of Facilities, Compliance and Performance)</p>
New City College	<p>Jamie Stevenson (Group Executive Director of Apprenticeships & Business Development)</p> <p>Alison Arnaud (Principal of Hackney and Tower Hamlets Colleges)</p>
Hackney Resident Liaison Group	<p>Steve Webster (Co-Chair)</p> <p>Helder Dacosta (Co-Chair)</p>
Other Attendees	<p>Sharon West (Chair, Lordship South Tenant Management Group)</p> <p>Jean Nicholson (Chair, Downs Estate Tenant Management</p>

	Group) Cllr Vincent Stops (Chair, Planning Sub-Committee)
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Meetings

Scrutiny Commission	Topics & Links	Date
Scrutiny Panel	Net Zero Carbon <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	4th October 2021
Living in Hackney	Energy Strategy & Systems <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	26th October 2021
	Buildings <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	8th November 2021
	Buildings, Electric Charging & Infrastructure <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	13th December 2021
	London Councils Consumption Emissions and Retrofit Workstreams <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	7th March 2022
Health in Hackney	Roadmap to Net Zero at Homerton University Hospital NHS Foundation Trust <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	17th November 2021
Skills, Economy & Growth	Green Economy & Skills <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	22nd November 2021
	Transport	15th December

	<ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	2021
	SMEs & Decarbonisation <ul style="list-style-type: none"> • Agenda • Minutes • Livestream 	22nd February 2022

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Glossary of Terms

Term	Definition
Circular economy	An economic model in which resources are retained in use at their highest value for as long as possible and are then reused or recycled, leaving a minimum of residual waste.
Climate emergency	An umbrella term to describe the situation where burning fossil fuels creates greenhouse gas emissions, which are changing the climate of the planet. Also known as: climate change, climate collapse, climate crisis, global warming.
Consumption emissions	The greenhouse gas emissions generated outside Hackney to create the goods and services used inside Hackney, for example in manufacturing and delivery.
Decarbonisation/Decarbonise	The process of reducing greenhouse gas emissions

District heat network	A distribution system of insulated pipes that takes heat from a central source and delivers it to a number of buildings.
Embodied carbon	The greenhouse gas emissions created to produce, transport, install, maintain, replace and dispose of materials or items. This is a type of consumption emission.
Freeholder	Someone who owns the freehold of a property which can include a building and other property or land. In a block of flats, for example, the freeholder would own the land and the actual building.
Fuel poverty	The situation where someone is unable to afford to keep their home adequately heated, without compromising basic necessities. Central government has defined fuel poverty as when a household needs to spend more than 10% of its income to achieve reasonable levels of warmth (22°C in living areas, 18°C in unoccupied rooms)
Greenhouse gas emissions	Refers to the gases created when fossil fuels are burnt that contribute to the climate and biodiversity breakdown. Also known as: carbon emissions, carbon dioxide emissions, GHGs and emissions.
Green jobs	Jobs that have a focus on either reducing carbon emissions, restoring nature or making similar environmental improvements
Hackney Light and Power	The Council's energy services arm, installing clean energy services across Hackney.
Heat pump	A device used to heat and cool buildings by transferring thermal energy from a cooler space to a warmer space.
Leaseholder	A leaseholder is someone who owns a property on a lease, typically for 99, 125 or 999 years. The length of the lease decreases year by year until it eventually runs out.
Low carbon (e.g. item, product)	Something that does not release significant amounts of carbon when produced or operated. Typically they are electric and running on fossil-free renewable power, or capable of running on the national grid, which is rapidly decarbonising.
National grid	The network of power stations, powerlines and electricity

	infrastructure that allows electricity to be generated, transported and used across the county. Within the network there are many different Distribution Network Operators who send electricity from the grid to end users.
Net zero	Net zero refers to a state in which the greenhouse gases going into the atmosphere are considerably reduced and the residual emissions removed out of the atmosphere elsewhere. In the context of the built environment, buildings should aim to reduce their overall greenhouse gas emissions for embodied carbon and operational energy to near zero or negative, with reliance on offsetting strictly limited to exceptional circumstances.
Offsetting	The process of compensating for greenhouse gas emissions, by participating in schemes designed to make equivalent reductions of carbon dioxide in the atmosphere. Also known as: carbon offsetting.
Range anxiety	Worry on the part of a person driving an electric car that the battery will run out of power before the destination or a suitable charging point is reached.
Renewable energy	Energy generated using fuels that are naturally restocked in a short time period and do not rely on fossil fuel extraction, such as solar or wind power.
Retrofit	The process of upgrading and altering existing buildings or systems to reduce greenhouse gas emissions. This might include upgrading their thermal performance to improve energy efficiency, adding renewable energy sources or removing fossil fuel power sources. This reduces the amount of energy used in a building, reducing fuel poverty and greenhouse gas emissions while improving comfort levels.
Solar panels	A renewable energy technology that uses sunlight as a source of energy to generate electricity.
Territorial emissions	The greenhouse gas emissions from energy consumption and activities inside Hackney.

List of Abbreviations

Abbreviation	Meaning
BEIS	Department for Business, Energy and Industrial Strategy

CCC	Climate Change Committee
Defra	Department for Environment, Food and Rural Affairs
DfT	Department for Transport
DLO	Direct Labour Organisation
EV	Electric vehicle
GDP	Gross Domestic Product
GLA	Greater London Authority
G20	An intergovernmental forum comprising 19 countries and the European Union
HMO	House of multiple occupation
HMT	Her Majesty's Treasury
LETI	London Energy Transformation Initiative
LGV	Light goods vehicle
LTN	Low Traffic Neighbourhood
MHCLG	Ministry for Housing, Communities and Local Government
NHS	National Health Service
NLWA	North London Waste Authority
NPPF	National Planning Policy Framework
POE	Post Occupancy Evaluation
PRS	Private Rented Sector
PV	Photovoltaics
SMEs	Small and medium-sized enterprises
TfL	Transport for London