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What does the Seventh Carbon Budget mean for local authorities? Preliminary findings.

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The role of the Climate Change Committee

Advising government, reporting to Parliament

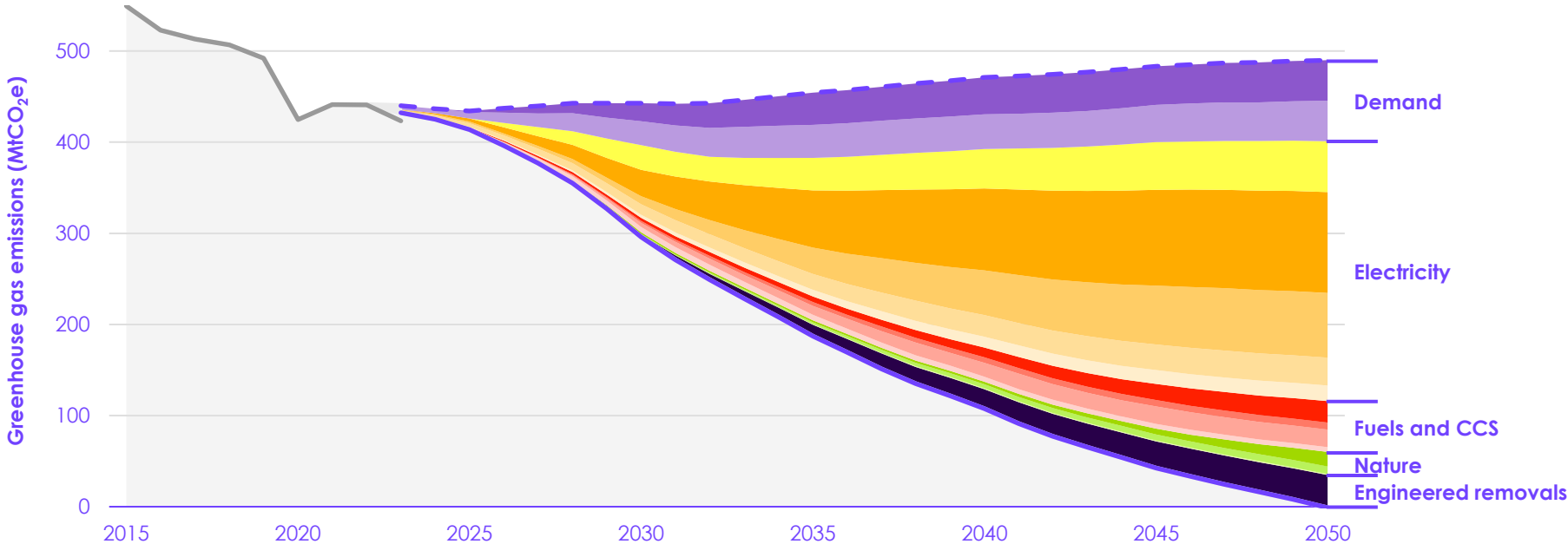
The CCC's statutory remit is to produce reports to government, Parliament, and their devolved equivalents.

- **Carbon budgets:** produced every five years to advise on the legal limit for the UK's emissions over a five-year period. The Seventh Carbon Budget advice was published in 2025.
- **Climate Change Risk Assessments:** produced every five years to inform the Government's assessment of the risks of climate change. The Fourth Climate Change Risk Assessment (CCRA4) advice will be published in 2026.
- **Progress reports:** for the UK Parliament these are produced every year (for mitigation) and every two years (for adaptation).
 - Progress reports are also produced for Scotland, Wales, and Northern Ireland.



Where the emissions reductions are within the Balanced Pathway

60% from electrifying key technologies and decarbonising and expanding electricity supply



- | | | | | |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Demand: | Electricity: | Low-carbon fuels and CCS: | Nature: | Engineered removals: |
| <ul style="list-style-type: none"> ● Low-carbon choices ● Efficiency | <ul style="list-style-type: none"> ● Low-carbon supply ● Electric vehicles ● Heat pumps | <ul style="list-style-type: none"> ● Industrial ● Other ● SAF and shipping fuels ● Hydrogen ● CCS | <ul style="list-style-type: none"> ● Other ● Tree planting ● Peatland restoration ● Other | <ul style="list-style-type: none"> ● Engineered removals |

Source: CCC analysis.

The role of local authorities – preliminary findings

Three key messages from forthcoming report

Preliminary findings

- Local authorities are key for delivering the Seventh Carbon Budget.
- There are many barriers and challenges to local authority action to reduce emissions.
- However, there are many measures local authorities can and do take across their different spheres of influence.
- We are aiming to identify priority actions that local authorities should focus on first. These include:
 - Actions local authorities have direct control over.
 - Actions that will support the delivery of the highest impact measures for emissions reduction.

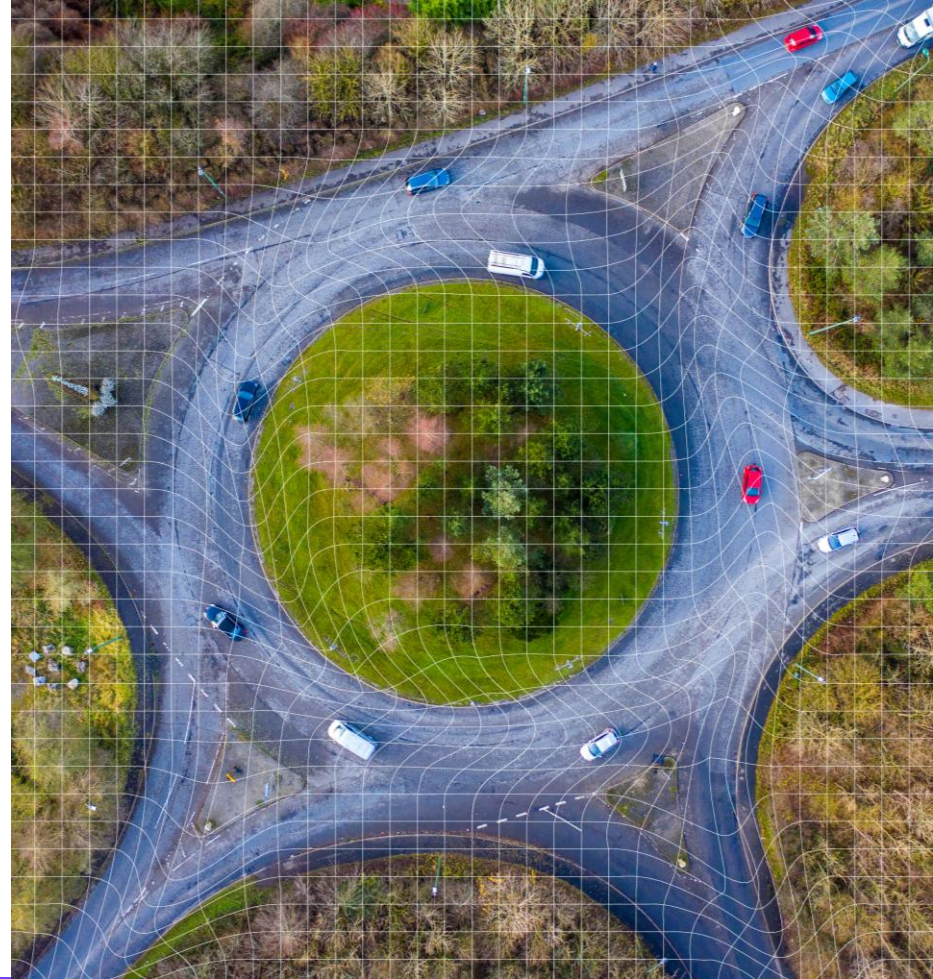


Local authority barriers to decarbonisation

Preliminary findings

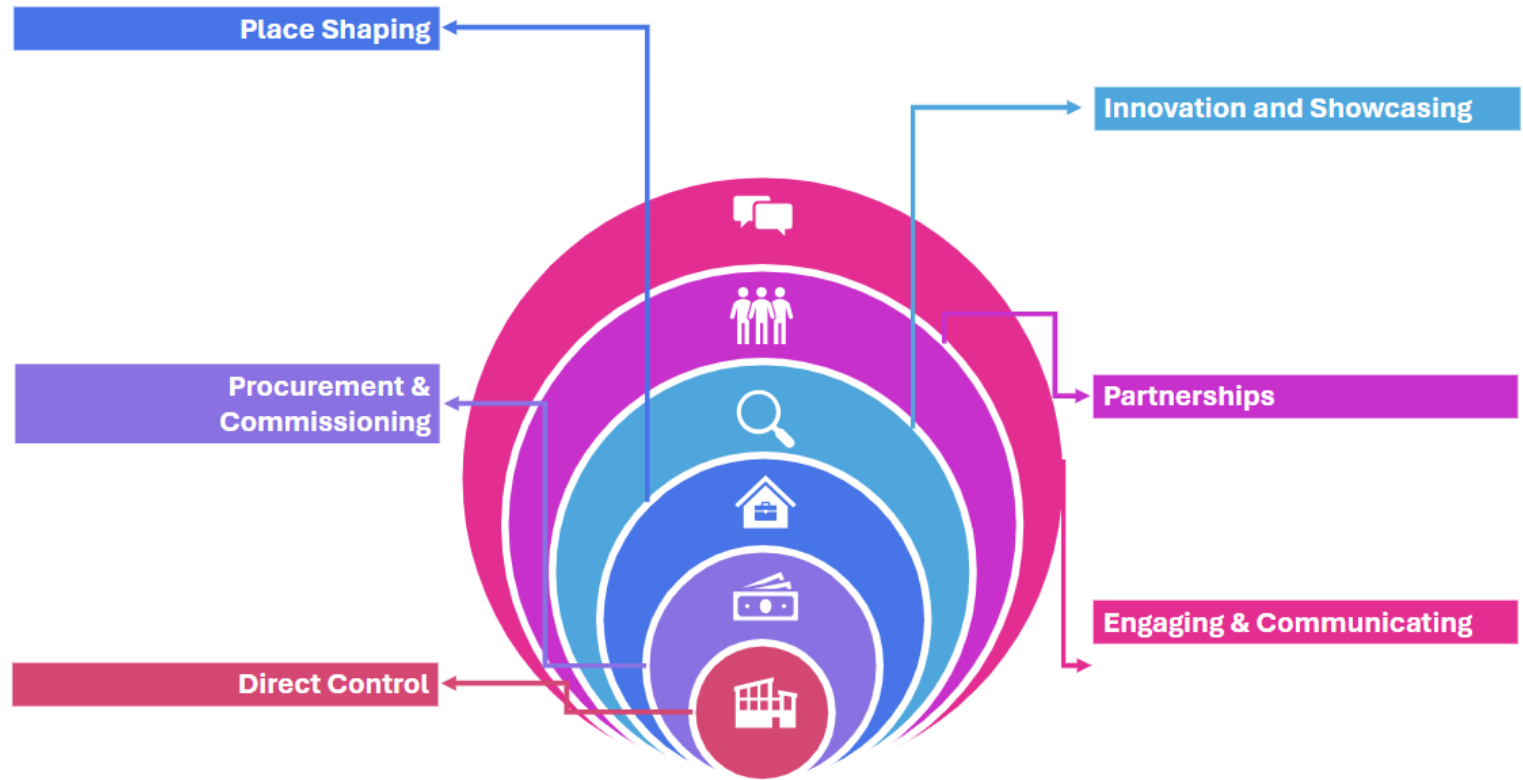
Local authorities face many barriers to deliver the Seventh Carbon Budget.

- **Capital intensive measures**, like installing heat pumps in council homes or providing electric car charging points, are often reliant on central government funding.
- **Local authority resource constraints** generally limit the amount of capital, revenue and officer time available for decarbonisation.
- **Wider factors, like the electricity to gas price-ratio**, can be an additional barrier.
- **Complex roles and responsibilities** in sectors like transport and energy.
- **Skill shortages** in local authorities as well as for installers.



Local authority spheres of influence

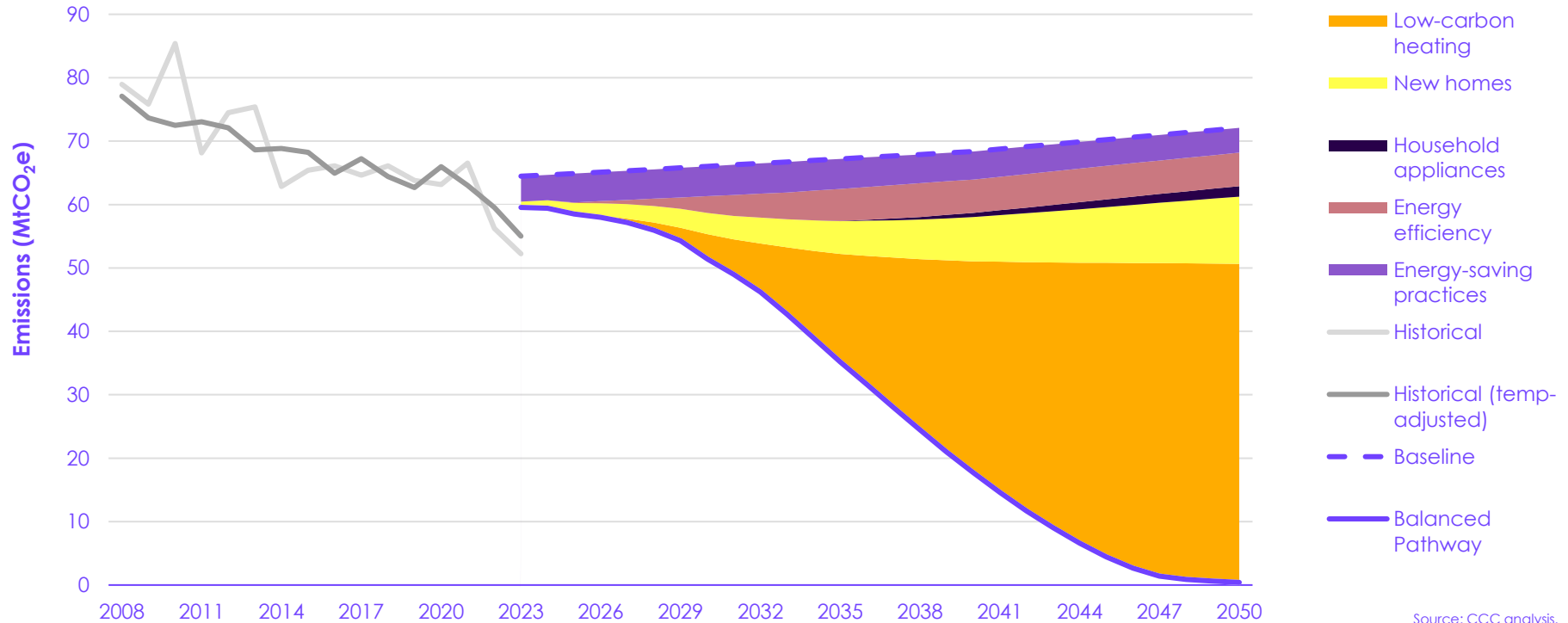
Provided by CAG consultants



Residential buildings

Sources of abatement in the Balanced Pathway for residential buildings

Low-carbon heating results in the greatest emissions reduction in this sector

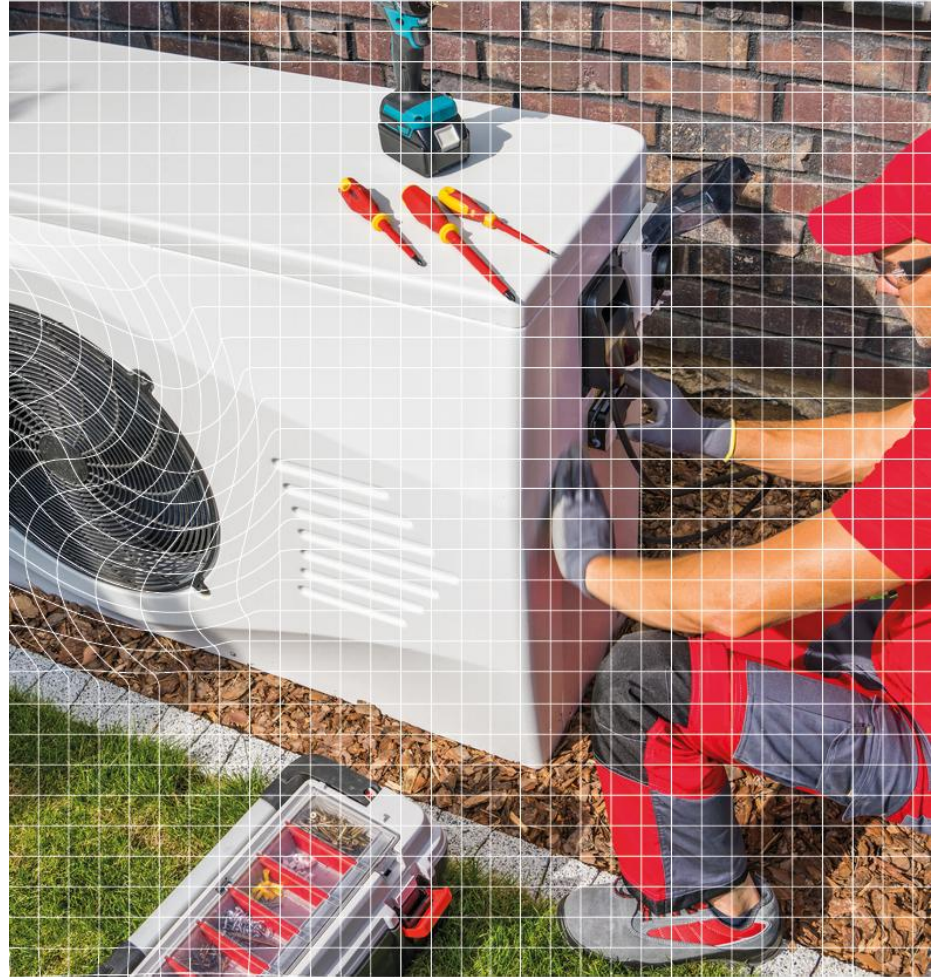


Source: CCC analysis.

Existing residential buildings

Preliminary priority actions for local authorities

- Be clear that switching to low-carbon heating systems is the most impactful measure to decarbonise existing homes.
- Develop a plan to fully decarbonise council homes.
- Where applicable: support development of heat network.
- Develop supportive planning policies and practices for energy efficiency measures and low-carbon heating.
- Support engagement of the public and landlords with low-carbon heating systems.
- Support the development of a local supply chain for low-carbon heating systems.
- Identify and engage with households who are eligible for government support for low-income households.



New homes

Preliminary priority actions for local authorities

The Future Homes Standard will require new homes to be built with high energy efficiency and a low-carbon heating. This means new homes will meet the requirements in the Seventh Carbon Budget.

However, the standard may not fully come into force until 2028.

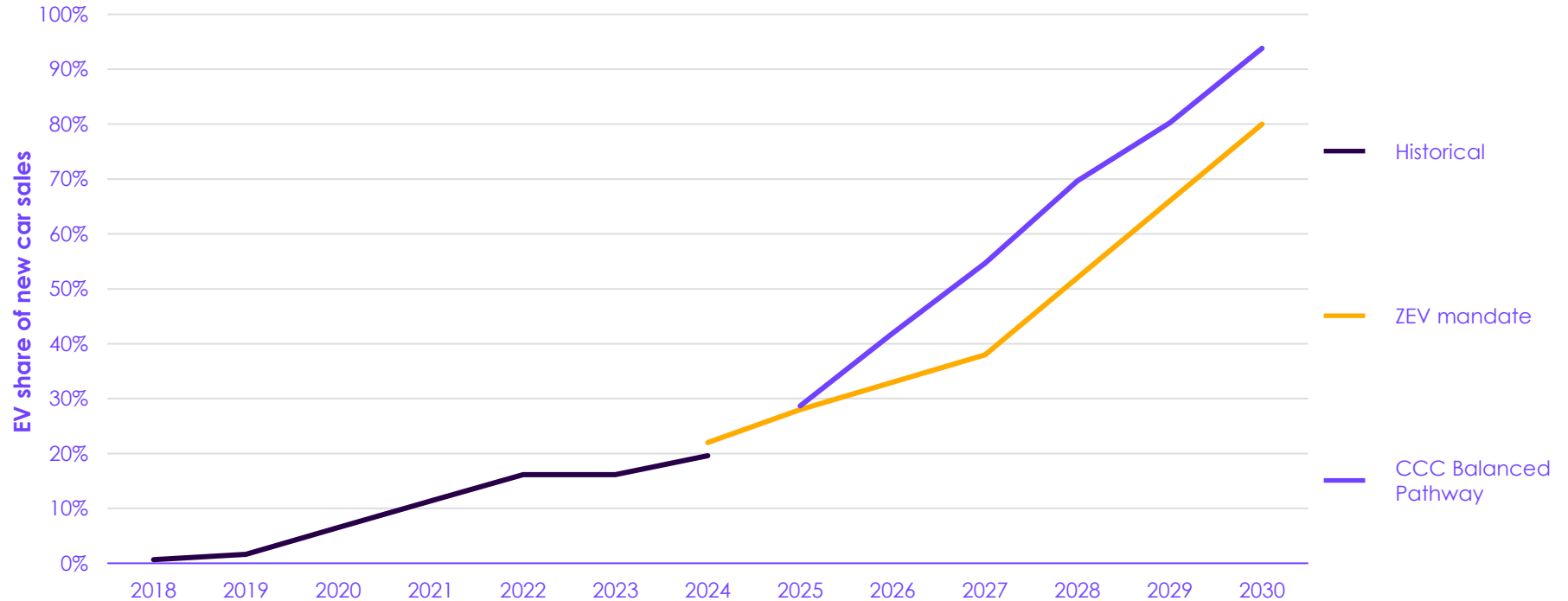
- Homes developed by councils should be built to high energy efficiency standards and with low-carbon heating.
- Support developers, builders and construction firms in preparing for the Future Homes Standard and encourage energy efficiency and low-carbon heating now.
- Develop planning officer skills and capacity.



Surface transport

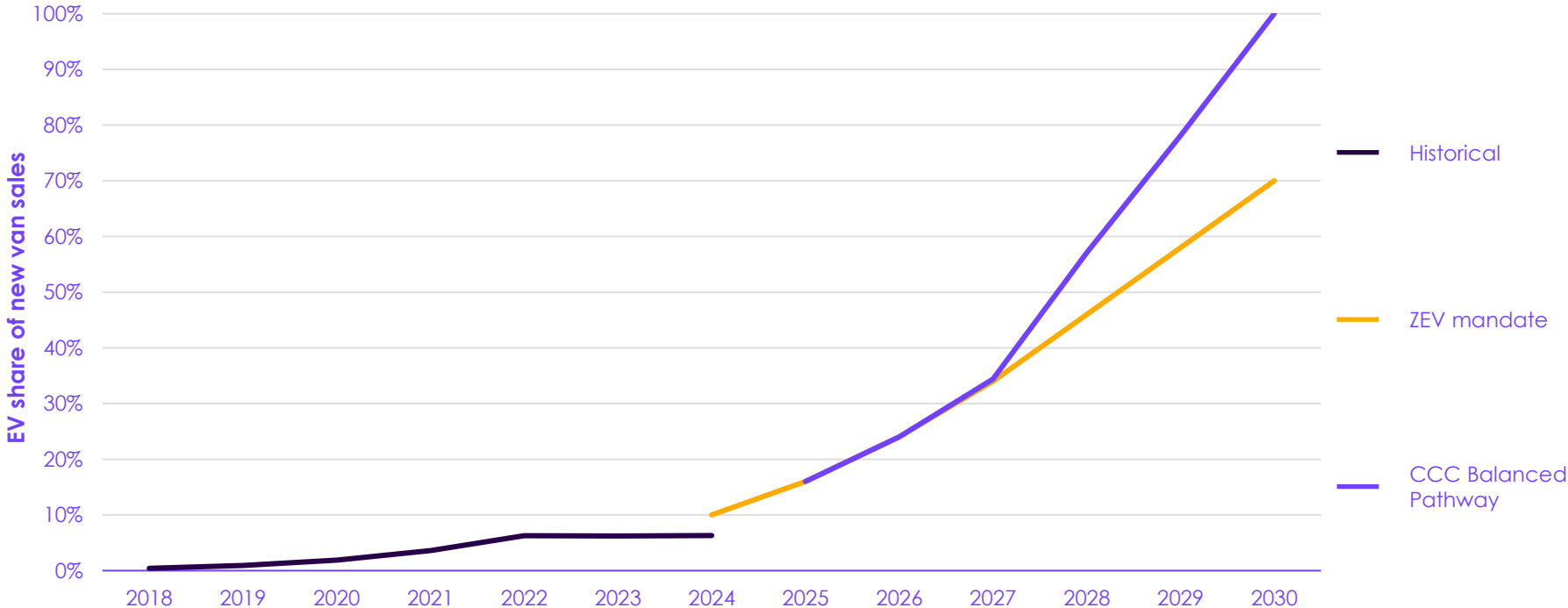
Electric car sales

The market share of new electric cars resumed growth in 2024 and will need to accelerate over the rest of this decade



Electric van sales

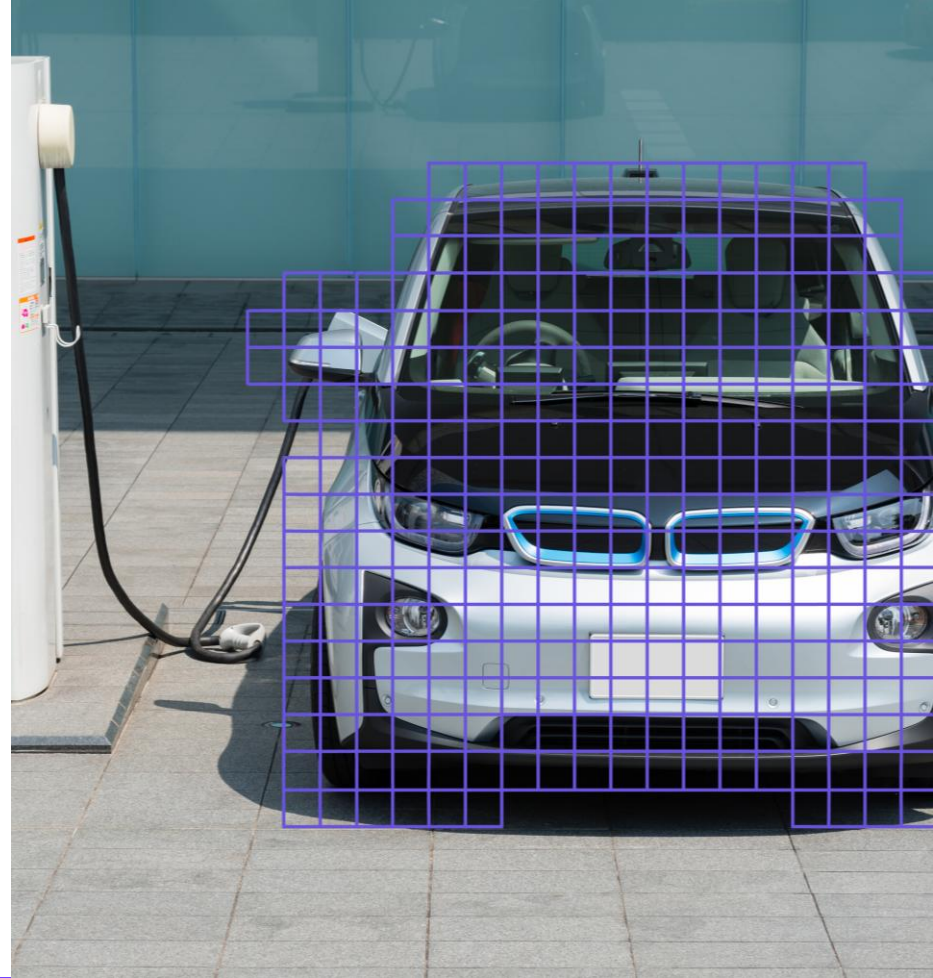
The market share of new electric vans did not increase in 2024 and will need to grow significantly



Electric vehicle uptake

Preliminary priority actions for local authorities

- Support and deliver the roll-out of charging infrastructure.
 - Support the provision of on-street charging. This is often funded through government grants (LEVI grants).
 - Build charging infrastructure on council land. These are often built for the use of the council fleet, but can also provide charging for the public and businesses.
 - Support cross-pavement charging solutions. This may include easy application processes, PDRs, installation services and encouraging charger sharing.
- Transition council fleets to EVs.
- Support wider uptake through increased familiarity of EVs by offering EV pools for staff and the wider community, salary sacrifice schemes and trials for businesses.



Electricity supply

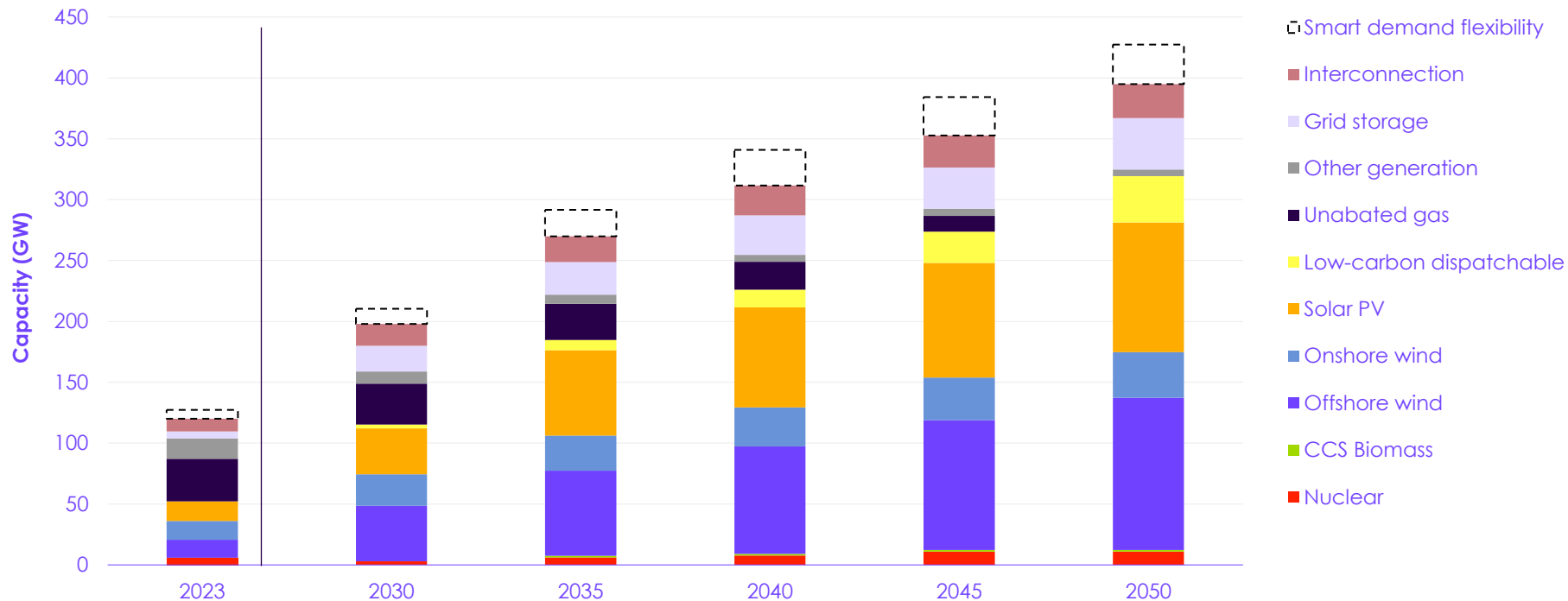
Seventh Carbon Budget key messages for electricity supply

A reliable, low-cost electricity system is possible

- **Emissions from electricity supply have fallen** by 81% since 1990.
- **Demand for electricity will increase.** By 2050, annual electricity demand could be more than double 2023 levels.
- **Reliable, low-cost, and low-carbon electricity can be delivered** while coping with potentially long periods of low wind.
- **Electricity networks will need to expand** to enable consumers to benefit from reliable, low-cost, and low-carbon electricity.
- **Government and relevant authorities should reform key processes and rules** to enable rapid expansion of the country's energy infrastructure.

Low-cost variable renewables form the backbone of the future system

These are supported by storable energy, smart demand flexibility, and interconnection



Source: CCC, AFRY analysis.

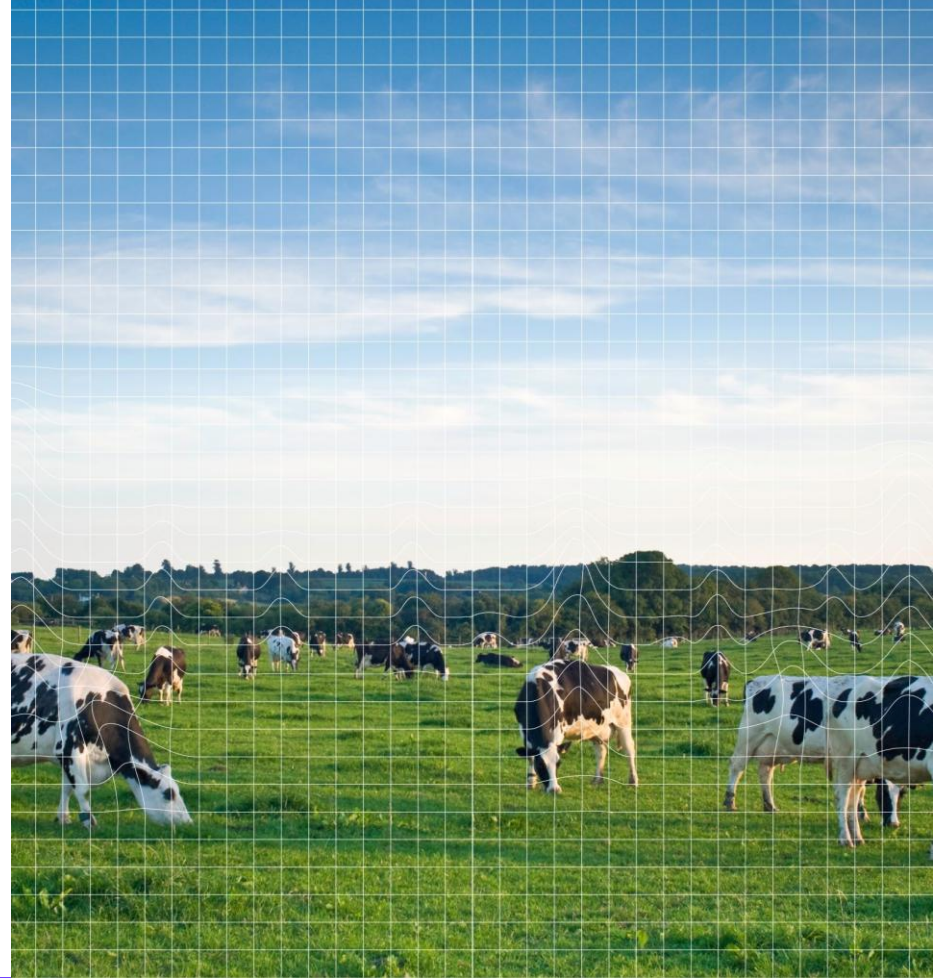
Electricity supply

Preliminary priority actions for local authorities

- Develop a Local Area Energy Plan/ contribute to Regional Energy Systems Planning, informed by community engagement.
- Where applicable: Draw on extensive experience of councils who have been involved in Nationally Significant Infrastructure Project processes and associated Development Consent Orders. Experienced councils advise to negotiate a Planning Performance Agreement with the NSIP promoters and have drafted guidance on community engagement.
- Consider renewable energy generation on council owned land (for example, land, landfill sites or council-owned roofs).
- Purchase power from clean sources and consider Power Purchase Agreements, to support investment in new renewables.
- Where appropriate, participate in the innovation space around smart local grids, flexibility and load shifting.
- Build planning capacity to assess renewable energy generation applications and feed into processes for Nationally Significant Infrastructure Projects.

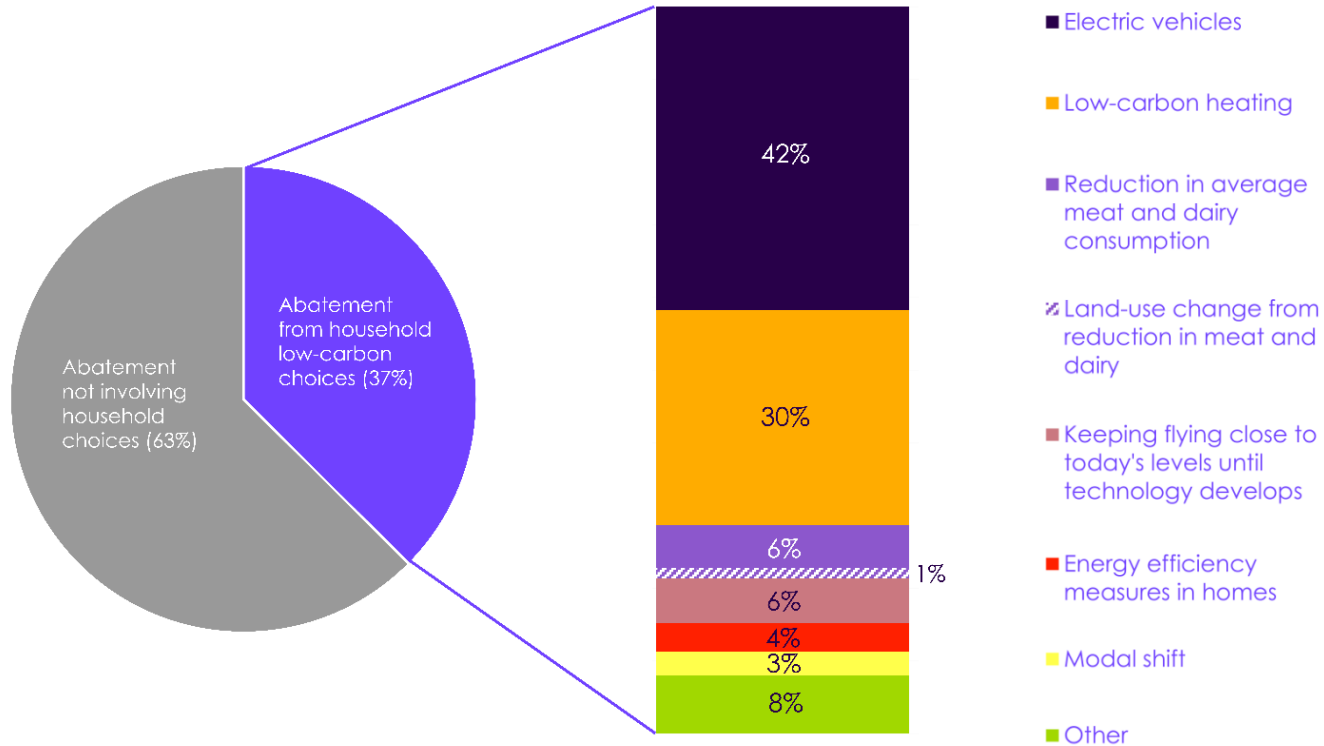
Additional sectors Covered in the report

- Buildings – non-residential.
- Transport – modal shift.
- Waste.
- Land and Agriculture.



Households contribute to around a third of emissions reduction in 2040

Local government is a key mid-level actor when engaging with households



Source: CCC analysis.

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