

**May 2024**



## **Why climate and nature must be embedded in English devolution**

Sandra Bell explains why we can't solve the climate and nature crises without the engagement of devolved authorities, and what's stopping effective action.

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## Summary

Devolution in England is gathering pace, with 60% of the English population now living in an area covered by a devolution deal. Further and faster devolution is a key promise of the Labour government. May 2024 saw the election of 9 regional mayors, including some in brand new mayoral authorities, as well as the Mayor of London. It is likely that there'll be 6 mayors elected in May 2025, 4 of which are new posts, and there are also new devolution deals that don't involve a directly elected mayor.

These deals between national and local government grant additional powers and resources to directly elected mayors and combined authorities, covering city regions, multiple local authority areas or in some cases a county council. It's a complex picture, but this article provides an explanation of the different types of deal being rolled out (see Annex 1 below for more details).

The current government is going to be responsible for whether we meet [our 2030 climate target](#) to cut emissions by at least 68%. But we won't do that without action from local government as well. Mayoral combined authorities (MCAs) and counties with devolution deals are increasingly important, especially as deeper devolution deals increase resources at this level. From housing to transport, all devolution deals already include powers and funding that could be used positively to help tackle climate change, restore nature and address environmental inequalities. But although there are great opportunities to do this, progress has been patchy, and even in well-established city regions action isn't on track to meet climate targets.

Mayors should be fully deploying the powers and resourcing already available to them to tackle the climate and nature crises. We've found some examples of specific impactful actions, but all too often climate is a sideline that's not embedded in a mayor's strategic approach. Even existing powers like bus franchising aren't always taken up.

Mayors can and should do more, but a lack of statutory duty, or even a clear steer in national climate plans, is hindering progress. Mayors and their combined authorities are also hampered by the same patchy, competitive funding and unhelpful national policy framework that's stalling action across local government. This article looks at what devolved authorities are achieving, why action still isn't at the scale and pace required, and whether the current approach really adds up to genuine devolution at all. We set out recommendations for how the new government can change this.

### **Further devolution must embed climate, nature and justice outcomes**

The Labour government has committed to further devolution of powers to local government in an English Devolution Bill. It remains to be seen whether this will provide the powers and resourcing needed at the devolved level to tackle the nature and climate crises and whether the new government will truly reform the way local government is funded.

With much of the devolved funding still subject to competitive bidding, national government intervention in the detail of how its spent, and a lack of ability to raise funds locally, are devolved English authorities still too poorly resourced to bring about the scale of change needed?

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**“I know devolution is a way to try to resolve some of the problems of inequality, but it cannot be that you erode the finances of a local authority and then you expect the mayor to patch it up. It has to be a 360 approach from the Government.”**

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*Tracy Brabin, Mayor of West Yorkshire, giving evidence to the [Levelling Up, Housing and Communities Committee](#)*

We're approaching key 2030 targets for [climate](#) and [nature](#), so the action we take at all levels over the next few years is crucial. Yet contributing to national climate and nature targets isn't set out as a clear requirement in devolution deals.

Friends of the Earth thinks progress is too slow. There are national barriers to scaling up action, and we think clearer climate, nature and justice outcomes need to be embedded at the heart of all existing and new devolution deals. Although this briefing focuses on devolution deals rather than the wider reform needed to empower action across all of local government, inevitably it does also touch on the need to support councils outside of devolution deals too.

We've set out the following recommendations for the next government.

## Recommendations to national government

1. A **statutory duty on all levels of local government to contribute to national and international climate targets and adaptation plans**, with their responsibilities set out clearly in a revised national climate strategy for the UK, and with progress monitored by the Climate Change Committee.

There's no statutory climate change duty on mayors, MCAs, combined county authorities or constituent councils. It's perhaps not surprising then that devolution deals aren't consistent in their approach to climate. A statutory duty would need to be backed with sufficient resourcing as set out in Recommendation 3.

Inconsistency can also be linked to the lack of a clear role. A clear role for all levels of local government as delivery partners should be set out in a new ambitious, comprehensive and fair [Carbon Budget Delivery Plan \(CBDP\)](#), and should be taken forward in a genuine collaboration between national and local government. The new climate plan is required by May 2025 following the previous government's [court defeat](#).

2. **Embed climate and nature outcomes in all devolution deals**, with clear plans to cut emissions (aligned with the UK's target to cut emissions by more than two-thirds by 2030), promote a thriving low-carbon economy with new green skills and jobs, protect vulnerable communities from the impacts of climate change, and restore nature.

There's a lack of clarity and consistency in the way that existing devolution deals address environmental goals. Even in the new Trailblazer deals, which set out an outcomes-based approach linked to the granting of a single settlement, there are no clear, overarching net zero or biodiversity outcomes. With less than 6 years to go, it's urgent for the government to set out a clear plan to meet the 2030 target, and action at the local and regional level will be crucial to success. With clear, overarching outcomes set out for climate and nature, devolved authorities can then be given greater flexibility in how to spend funding and use their powers, in consultation with their communities, but without the need for such detailed scrutiny from national government.

3. Ensure that **communities are consulted about the content of new devolution deals, and that a commitment to genuine community engagement** is part of the agreement for all newly formed devolved English authorities or the deepening of existing deals.

Devolution should involve bringing decision making closer to communities, but citizens only get consulted about what type of deal they get, like whether they want a directly elected mayor. They don't get a say in the details of the deal agreed between the new devolved authority and the government. There should be greater transparency and scrutiny around the nature of the deals, as well as the strategies subsequently produced by the mayors. Tackling environmental inequalities should be an aim in all devolution deals, with a requirement to engage communities hit hardest by the impacts of climate change.

- 4. Funding to local government, including councils not in devolution deals, needs urgent reform**, with single settlements for all English devolved authorities linked to climate and nature performance criteria.

Across local government, funding is fragmented, inconsistent and mostly in the form of competitive grants. Even for regional mayors, while some funding such as the transport settlement is allocated, most funds remain subject to a competitive bidding process. There's strong evidence that this is hampering progress on climate and nature, and wasting public money.

The Labour Party promised to address this and it needs to be an urgent focus for the new government. Local money-raising powers should also be expanded, for example allowing regional mayors to raise money from a tourist tax to spend on improving public transport as is common in other countries.

## The ramping up of devolution in England

[The nature of devolution deals is changing](#). Some of the longer-standing MCAs like Liverpool and Greater Manchester are the result of deals started a decade ago, based on a city region and comprising local authority leaders as well as an elected metro mayor.

As part of its levelling up agenda, the Conservative government promised that by 2030 "every part of England that wants one" will have an "expansive devolution deal" backed by a funding settlement. A complex roll-out of devolution deals across England followed, including new deals with or without mayors, a county level, and a deepening of existing deals (the so-called Trailblazer deals).

Now the new Labour government has promised "the most ambitious programme of devolution this country has ever seen". According to the briefing issued with the King's Speech in July, this will include "enhanced powers over strategic planning, local transport networks, skills, and employment support" alongside "new powers and duties for local leaders to produce Local Growth Plans". A climate duty will be important to ensure that economic growth is linked to decarbonisation and high quality green jobs.

### A confusing and complex picture around the country

Will the Labour government's devolution framework lead to a simpler picture of devolution across England? The current situation is complex.

Trailblazer deals give Greater Manchester Combined Authority and West Midlands Combined Authority greater powers and resourcing, including over transport, skills training and retrofit budgets. They're expected to be the blueprint for others to follow, and the newly formed North East Combined Authority has already entered into a deeper Level 4 devolution deal (though not quite a Trailblazer).

Combined county deals are also a new form of devolution enabled by the Levelling Up and Regeneration Act and include the new East Midlands County Combined Authority. County deals can also relate to one county council area. Greater Lincolnshire, Norfolk and Suffolk have negotiated Level 3 deals and will elect mayors in May 2025.

Local authorities have been encouraged to enter devolution deals that involve an elected mayor (a Level 3 deal), but not all councils, or their residents, want to go down this route. The Autumn Statement in 2023 included several deals without an elected mayor. In Cornwall, the [rejection of the mayoral model](#) will mean that the area will miss out on a £360 million Cornwall Investment Fund and £8.7 million to deliver affordable housing on brownfield land.

Other county deals have stalled due to lack of local agreement between councils, such as in Hampshire where 3 unitary authorities want to create a separate Solent deal. MPs have also been vocal in opposing some deals, with Conservative MP Mark Francois calling the proposed Essex deal a "white elephant". It all adds up to a confusing and complex picture. Annex 1 below explains the different deals in more detail.

## Why devolution is crucial for climate and nature action

Even before new mayors were elected in 2024, the [Institute for Government reported](#) that over a third of England's territorial greenhouse gas emissions were produced in city regions governed by directly elected mayors.

It's clear that, as more power and resourcing, including for transport, housing and education, shifts to this level of governance, mayors, new combined authorities and counties with a devolution deal are going to be increasingly important in tackling the climate and nature crises. Deals vary in the powers and resources granted, but all give devolved authorities key opportunities to act on climate and nature, and to address inequalities. There's more detail in Annex 2 below, but here's a summary of these:

- Current devolution deals may be focused primarily on economic growth, but this means there's the potential to direct this towards green growth, creating green jobs and investing in low-carbon infrastructure.
- All deals include powers to improve public transport, in particular bus franchising, enabling mayors to improve services and roll out electric buses. Most deals also involve a long-term transport settlement that can be invested in public transport and active travel.
- Most MCAs will be the Responsible Authority for drawing up a Local Nature Recovery Strategy and so will play a key role in co-ordinating the protection and restoration of nature with local stakeholders across their areas.
- The areas that are either covered by a devolution deal now, or will be in May 2025, include over half of all England's dwellings (13.6 million homes), so devolved authorities have a significant role to play in ensuring that those homes are as energy efficient as possible.
- Some newer deals include specific resourcing or powers relating to net zero targets, including £7 million for York and North Yorkshire to drive green economic growth, a £9 million Net Zero capital funding pot for the East Midlands, and £15 million for transport, flood and coastal erosion programmes in Hull and East Yorkshire. York and North Yorkshire Combined Authority has also been awarded a £2.65 million one-off investment towards delivering low-carbon homes.
- Most deals include devolution of the Adult Education Budget, so devolved authorities will be increasingly important in ensuring that the workforce has the green skills needed in a low-carbon economy.

In addition to having powers and resources to tackle climate change and help nature's recovery in their areas, directly elected mayors can also use their influence to call for national policy changes that will help them deliver action or to oppose unhelpful national government decisions.





### **Are regional mayors using their powers wisely?**

Most existing MCAs already have non-binding targets for cutting carbon emissions and strategies to reach them, but implementation is patchy. As illustrated in the table below, monitoring and reporting are also lacking, making it hard to find an assessment of progress.

New mayors are also making commitments to act. In the run-up to the May 2024 elections, 8 of the 10 mayoral candidates who went on to be elected [signed Friends of the Earth's climate pledge](#) to prioritise and implement robust climate policies, and several made manifesto commitments on climate. But will any of this be enough?

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**“We will pioneer Labour’s green investment fund in the West Midlands and leverage funding to insulate thousands of homes and cut bills for those that need it most.”**

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***[Richard Parker](#)***, *elected Mayor for the West Midlands in May 2024*

The [scorecards of local authority performance on climate](#) produced by Climate Emergency UK find that, overall, MCAs are scoring higher than other local authorities. MCAs scored an average of 46%, compared with the average score of 32% across all local authority types. With the additional powers and resourcing available to them, and their ability to convene local partners, it’s to be expected that MCAs perform better, but scoring under 50% shows that more is needed. Re-elected and new mayors must now step up action to deliver on the promises they’ve made.

Existing actions by MCAs show that there's plenty of potential to use existing devolved powers and resources to deliver climate and nature solutions, especially where the mayor is committed to doing so. However, it's also apparent that these positive actions aren't progressing at the scale and pace required. Action on climate and nature at this level needs to be ramped up, but there are genuine barriers arising from the way national government is devolving powers and resources, something that we address in a later section.

Here are some examples of progress being made by devolved authorities.

### Green jobs and retrofit

- In **Greater Manchester**, the combined authority has used devolved powers on further education to [boost skills training for retrofit](#), including approving new retrofit courses funded via the devolved Adult Education Budget. Mayor Andy Burnham has been an advocate for green jobs and founded the Greater Manchester Retrofitting Task Force. However, although Greater Manchester Combined Authority has had control of the Adult Education Budget since 2016, it's still struggling to train the workforce in the green skills needed to match its net zero ambitions. Greater Manchester deserves credit for being the only MCA to [publish progress reports](#), but these show that it's still well behind on its target to retrofit 61,000 homes a year. Its own data showed a peak of only 11,000 retrofits in 2022-23.
- In the **West Midlands**, the SMART Hub (Sustainable Market for Affordable Retrofit Technologies) was set up by the combined authority in 2021 and has helped to bring funding to the area. But in 2023 Andy Street, the mayor at the time, referred to the "hopeless progress" on home energy efficiency in the area. [Friends of the Earth analysis](#) shows that only 39% of homes in the West Midlands Combined Authority area are well insulated.
- **West Yorkshire's** Green Jobs Taskforce has committed to creating "1,000 well paid, skilled, green jobs for young people" and is being driven by Mayor Tracy Brabin. It's a welcome start but only a fraction of the green jobs required for the area, with the [combined authority's own website](#) stating that 70,000 are needed by 2050. [West Yorkshire also identified a shortage of bus drivers](#) as a key problem and was able to direct training to facilitate recruitment of new drivers, showing how control of education funds locally can ensure they're targeted to local needs.



Installing loft insulation © Credit: sturti via Getty Images

## Renewable energy

**West of England** Combined Authority used European funding to set up a £50 million Green Innovation Fund, which helped secure a community-owned wind turbine with local charity Ambition Lawrence Weston. **Liverpool** City Region has a Sustainable Area Energy Plan, with the aim of transitioning to “a low carbon economy in which future economic growth, the delivery of which remains of vital importance, is decoupled from the consumption of fossil fuels and their inevitable carbon CO<sub>2</sub> emissions”.

## Transport

- **Greater Manchester** is the first devolved authority outside of London to take control of buses under bus franchising powers, with half of all buses already under public control as of March 2024. It's starting the process of integrating bus and tram services within the Bee Network as well as reducing fares. Bee Active aims to link walking and cycling networks across local authority boundaries and integrate with public transport services. Following the additional powers granted by the Trailblazer deal, Greater Manchester Combined Authority will bring local trains into the Bee Network. It also has the Our Pass scheme, which gives free travel to 16 year olds. **Liverpool, South Yorkshire and West Yorkshire** are also going ahead with bus franchising. Alongside its public transport work, Greater Manchester has set a target to reduce car use to no more than 50% of daily trips by 2040. Friends of the Earth wants to see this target met sooner, but the authority's own monitoring shows that in the first quarter of 2023, 73% of daily trips were by car. Improvements should be anticipated now that the mayor has greater ability to improve and co-ordinate public transport services.
- **Greater London**, where Transport for London has had devolved power over transport since 1999, has higher public transport use than any other MCA area. In the Greater London Authority area, 53% of commuter journeys are made using public transport compared with, for example, Liverpool City Region where only 18% are. And in contrast to other MCAs, [bus services have increased](#) slightly by 3% when compared with 2010 levels, whereas they've declined in all other MCA areas. This is in large part down to Transport for London's powers, although it's helped by a dense population that makes it easier to cut car dependence. But despite the high use of public transport, there's still too much reliance on cars, and air quality remains a serious threat to health. World Health Organization (WHO) guidelines for the toxic gas nitrogen dioxide (NO<sub>2</sub>) are breached in at least 4,833 locations. Fine particulate matter (PM) air pollution is very damaging to health, yet [Friends of the Earth analysis](#) shows that there are 1,509 neighbourhoods in London where levels of PM<sub>2.5</sub> are double WHO guidelines. Having been re-elected as mayor in May 2024, Sadiq Khan needs to follow through on his promise to Londoners to continue taking bold action on tackling air pollution and the climate crisis.
- Radically transforming how people get about will be even harder in those MCAs that haven't yet taken control of bus services and don't have a deeper devolution deal to extend their influence over wider public transport services. In the **Tees Valley** MCA area for example, [Friends of the Earth analysis](#) shows that only 9% of commuter journeys are made using public transport. Bus services have declined by 52% when compared with 2010 levels, which is likely to disproportionately impact those on low incomes. There could be even bigger challenges in some of the new MCAs that cover more rural areas like **York and North Yorkshire**.



© Pixabay

Even where progress is being made on specific areas, climate and nature are still too separate from the overarching business of the MCAs and aren't properly embedded across all plans, including Industrial Strategies, in any of the MCAs.

## Are mayors listening to their communities?

Action on climate and nature, whether at local council or combined authority level, should be designed in collaboration with the communities those authorities serve. Several polls have indicated that the majority of people in England think more decisions should be made locally and regionally, and that local politicians are best placed to understand their needs. [Research for Centre for Cities](#) showed that people are more able to name their elected mayor than any other local politician or their MP. They're also more likely to vote for candidates over parties in mayoral elections than they are in local council elections.

Despite this, directly elected mayors of large areas can seem remote to their communities. While there may be consultations over what kind of devolution deal to pursue in an area, the details of the subsequent deal are drawn up between the local authorities and national government without any community input. This raises the question of whether the current devolution model is improving local democracy in reality. London has an elected London Assembly of 25 members who can hold the mayor to account, but no such assembly has been set up in the new Trailblazer areas.

### Engaging with residents

Some mayors make efforts to engage with residents. Andy Burnham holds a Mayor's Question Time that's broadcast live from venues across the area the evening before **Greater Manchester** Combined Authority board meetings. Oliver Coppard (**South Yorkshire**) and Tracy Brabin (**West Yorkshire**) also hold regular Mayor's Question Time sessions across their regions. Former **West Midlands** mayor Andy Street held "Ask Andy" Question Time sessions in locations across his area, and the Mayor of **London** also holds an online Question Time. But while these events may give some residents an opportunity to question their mayor, they don't amount to engagement in decision making and are quite likely to be a largely self-selected group of people used to and confident in participating in these kind of events.

Some MCAs are setting up processes specifically to engage their residents on climate change and nature in the form of citizens' assemblies. For example, **South Yorkshire** Combined Authority ran a climate change citizens' assembly with 100 residents from across the area. **West Midlands** Combined Authority set up a Greener Together Citizens Panel of 30 people to address issues such as air quality, green spaces and energy efficiency in homes. It says the panel will help shape the Energy and Environment team's work. In order to reach out to more diverse communities, it also has a Faith Strategic Partnership Group and Young West Midlands, hopefully to be continued under the new mayor. **Liverpool** City Region also has a Climate Partnership with faith and environment groups involved, which is described as a "critical friend" to the combined authority.

These initiatives are welcome, but it's not clear to what extent these forums will influence decision making. Although they've taken steps to be representative of the population, they shouldn't be seen as the only or even best way to hear the voices of communities most impacted by climate change. And in areas with new devolution deals that have specific net zero pots of money, it's unclear whether communities will have a say on how they'll be spent.

## Learning from other European cities

Overall, community engagement on climate and nature is something that needs to be improved, especially when devolution deals are deepened. Perhaps we could learn from other European cities. The [Local Mission Zero Network Report](#) offers good examples.

Paris' Climate Action Plan was informed by a 3-month public consultation and was endorsed by 95% of people in a citizens' vote, but engagement went even deeper. An outreach campaign reached more than 200,000 people in a week and built a group of 15,000 climate volunteers. Lisbon has participatory budgeting and in 2019 the mayor announced that the participatory budget would become green, allowing citizens to assign funds to projects that support climate change adaptation and mitigation.

## National barriers to regional climate action

As explained above, regional mayors with their existing powers and resources could be doing more to play their part in tackling the climate and nature crises and engaging their communities. However, the reality is that if national funding and devolution of powers were reformed, they could be doing much more.

### Funding

Despite devolution gathering pace, overall funding to local government has gone down, not up. The [Institute for Government](#) shows that since 2009/10, local government funding from central government has been cut by 37% in real terms. [Analysis by Centre for Cities](#) shows that the cuts have hit particularly hard in northern cities, with Liverpool one of the worst affected despite being one of the city regions with a devolution deal in place for a decade. The problem is exacerbated because funding is failing to keep pace with inflationary costs while there's exploding demand for child protection, adult social care and homelessness services.

It's not possible to make direct comparisons between funding to councils pre-devolution and money granted in devolution deals, but it's safe to say that devolved authorities and their constituent councils aren't being cushioned from the impacts of austerity. [According to Gateshead MBC leader Martin Gannon](#), the deal for the North East "does not begin to replace the millions councils in the north-east have lost during austerity". For example, Gateshead Council has made [budget cuts of £207.5 million over the last 14 years](#), and in the last 10 years Newcastle City Council has had to make [cuts of £300 million](#). The other 6 councils making up the new North East MCA will all have experienced cuts as well.

The North East devolution deal is calculated to be worth £4.2 billion over 30 years, but it's not all additional money. For example, the Adult Education Budget and most of the transport funding is money that would have been spent in the region anyway, although new mayor Kim McGuinness and the combined authority will now have more control over how it's spent.

Alongside the overall decline in government funding to local government, it's hard for regional mayors to raise money locally. The UK is one of the most fiscally-centralised countries. Only 5% of revenues are collected locally in the UK, a situation which, according to [Centre for Cities](#), has got worse since 2015 despite developments in devolution.

Cities in other European countries have more options including payroll or visitor levies, which have helped to raise money for [improvements to public transport](#) in cities like Paris and Barcelona. The [Northern Powerhouse Partnership](#) has calculated that a £1 tourist tax could raise almost £428 million a year for English councils. Capturing the increase in land values via a land value tax is also more common in other countries and is something that could be used to improve public transport here:

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**“If Steve [Rotheram] and I were able to use that approach on the building of the new railway between Liverpool and Manchester we could deliver the most ambitious version of the scheme with a new station in Liverpool and an underground at Manchester Piccadilly rather than the 'cheap and nasty' version on offer from Whitehall.”**

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**[Andy Burnham](#)**, *Mayor of Greater Manchester*

But increasing local fundraising powers must be done in a way that doesn't widen inequalities. Increasing the precept that mayors can raise money from local residents is potentially controversial for this reason. Cambridgeshire and Peterborough Combined Authority has used this approach to [fund bus improvements](#) including £1 fares for young people, with just over half of the residents who responded to a consultation supporting the increase. West Yorkshire mayor Tracy Brabin ruled out any increase to the local precept in 2021 to avoid burdening residents. Fiscal devolution done fairly is the focus of a series of proposals from the [Resolution Foundation with Centre for Cities](#).

Although some of the funding to regional mayors is in the form of allocated pots of money, there's still a lot of competitive bidding against each other and other authorities for money from national government. Regional mayors can be in a better position to bid for funds for co-ordinated projects across their areas than individual local authorities, but constituent councils may still be left struggling to raise funds for local initiatives. It can be the councils in poorer areas that find it hardest to bid for funding because they lack the internal resources to put in successful bids.

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**“In local government we have long argued for a single, multi-year settlement on the basis that it enables better planning and better outcomes over the longer term. Under devolution, local councils are still trapped in single year, complex funding arrangements and we will continue to push for single settlements across several years for local government too.”**

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**[Councillor Bev Craig](#)**, *Leader of Manchester City Council*

As noted above, regional transport funding enables mayors to invest in public transport, walking and cycling, but it's still subject to competitive processes and government control. The City Regional Sustainable Transport Settlement (CRSTS) is a multi-year grant in contrast to the very short-term approach to many grants, but it still has to be bid for and there's still a high degree of national oversight in how it's spent



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**“When we got the city region sustainable transport settlement, which we had to bid for, we were also then held to account by No. 10 advisers coming 200 miles from London to my office to tell me whether we could have a grass roof on a bus station and what colour the bins are.”**

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*Tracy Brabin, Mayor of West Yorkshire, giving evidence to the [Levelling Up, Housing and Communities Committee](#)*

The CRSTS is for capital investment and will need to cover maintenance of infrastructure as well as improvements that could help decarbonisation. And regional mayors will still need to bid for other pots of money for spending on service improvements, for example. One such pot of money is available for buses, but [South Yorkshire Mayoral Combined Authority](#) wasn't awarded any Bus Service Improvement Plans (BSIP) funding in the last round (whereas Greater Manchester received c. £95 million, the West Midlands £88 million, and West Yorkshire c. £70 million). This isn't for lack of need, as [Friends of the Earth analysis](#) shows that in South Yorkshire bus services have declined by 53% when compared with 2010 levels.

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**“I’m determined to fight for a fair funding deal that gives us a public transport network that is reliable, efficient and affordable, and that actually serves the needs of our communities. Because as it stands we’re losing out. The government promised us that levelling-up would mean a London style transport system here in South Yorkshire, but that vision is further away than ever. ”**

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*Oliver Coppard, Mayor of South Yorkshire*

When former West Midlands mayor Andy Street referred to the disappointing progress on retrofitting homes in his area, he pointed to the need for funding to be genuinely devolved to the West Midlands to decide how to use it and without councils in the area bidding against each other. Since then, the government has announced the piloting of allocated buildings retrofit funding from 2025 in both Trailblazer areas. But the allocation will be subject to agreeing details with the government, so it isn't truly devolved to local decision making. And when Greater Manchester and the West Midlands start to receive allocated funding, they'll not be able to pursue competitive funding for retrofit, meaning that the money available for retrofitting may not be increased overall.

It's hard to say what impact this new model will have. Mayoral authorities outside the first Trailblazer deals will have to wait until progress has been assessed here before being offered the same allocated funding, pushing this a long way into the future on an issue that needs urgent action. The

government has said that the expected duration of the buildings retrofit pilot is 2025/26 to 2027/28.

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**“Ultimately, the government must provide more funding that is available over a longer-time frame to effectively support decarbonisation. Ideally this would be provided via long-term devolution settlements for net zero at the Combined Authority level. This would provide stability in funding for net-zero while addressing the issues that are caused by short-term funding provision that pits area against area. Local areas in the majority of cases know the interventions that need to be implemented and therefore should be given the freedoms and flexibilities to apply a location specific approach to decarbonisation.”**

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*West Yorkshire Combined Authority in evidence to the [Mission Zero review](#)*

## Powers and responsibilities of devolved authorities

### Responsibilities

As noted by the [Institute for Government](#), “England’s mayors currently have no formal role in the UK’s net zero strategy, receive little funding to work specifically on net zero objectives, and have little clarity about long-term funding in key areas like housing and transport”. A key issue is that in England, unlike in Scotland, there’s no statutory duty on mayors or individual councils to contribute to the UK’s climate targets or report on progress.

At all levels of local government, it’s harder to justify spending on actions that aren’t statutory, however important and beneficial those actions are. Despite the government acknowledging in its 2021 climate strategy that local government has a key role to play in delivering on national and international targets, it’s failed to set out this role clearly for MCAs or individual councils, something that must be properly addressed in a new national climate plan.

So it’s perhaps not surprising that no devolution deal has clear, overarching targets or outcomes set out for climate and nature. A duty and a clear role would be in keeping with the concept of devolution, as it wouldn’t tie the hands of the mayors and could instead free them from ongoing government interference. If there were clear climate and nature outcomes in each devolution deal, mayors and devolved authorities, in collaboration with their communities, could have more discretion in deciding which actions they took to meet them.

The lack of clarity on environmental outcomes also means that policies can be overturned. In Cambridgeshire and Peterborough MCA for example, the Local Transport and Connectivity Plan was [opposed by the leader of Peterborough Council](#) due to the inclusion of proposals for congestion charging. Meeting climate targets should be too important to be subject to local political point scoring.

It’s not just Friends of the Earth that wants to put climate at the heart of devolution. The independent [Net Zero Review](#) published in 2023 and led by then Conservative MP Chris Skidmore recognised the need for a greater focus on climate, recommending that:

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**“Central government should establish core principles for future net zero devolution and ensure that all devolution deals agreed between now and 2030 have a strong net zero element.”**

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The [Blueprint Coalition](#) of local government organisations, academics and NGOs has also called for all devolution deals to include ambitious plans for place-based actions to reduce carbon emissions, adapt to the impacts of climate change, and restore nature. The [UK100 network of local authority leaders](#) has called for a new deal between local and national government to deliver on net zero.

## Powers

Devolution deals grant additional powers to regional mayors and devolved authorities, but each deal is subject to detailed negotiation with national government. And it seems that the deeper the deal, the more government scrutiny goes with it. The single settlements granted in the Trailblazer deals are claimed to give mayors greater flexibility in spending, but they're subject to detailed memorandums of understanding with the Treasury.

Of course, it's right that there should be a set of expected outcomes associated with public funding, including on environmental outcomes, but there could be more flexibility in how they're met. Meanwhile, there isn't a requirement for scrutiny from local communities that are served by the devolved authorities, which is something that must change.

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**“Across a whole range of policy areas, from building more affordable homes, improving access to high quality skills, supporting regeneration and continuing to invest in vital infrastructure such as transport, those closest to the issues are best placed to find the right solutions for their communities.”**

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**[Sadiq Khan](#)**, *Mayor of London*

Even where powers are potentially transformational such as bus franchising, which mayors can use to improve services and insist on zero-emission buses, there are complications and barriers to implementation. Greater Manchester is the first MCA to bring buses back into public control, but even here it's taken too long to get to this point. Bus franchising powers were granted in 2017, but the first buses under Greater Manchester control didn't run until 2024, in part due to a legal challenge by the bus operators. Franchising also opens mayors up to revenue risk. If fares income falls and operating costs rise, then mayors will have to plug the gap.



Bee Network bus in Manchester © Christopher Furlong via Getty Images

Mayors may be gaining powers, but they're not immune to having their local policies and ambitions on climate overturned by national interference. Greater Manchester proposed an ambitious and robust policy for requiring net zero housing in its Places for Everyone joint plan, but this was [weakened by the national Planning Inspectorate](#), something that has also happened to several local planning authorities. It's an example of where unclear or unhelpful national policies can hinder local government at all levels.

## Conclusions

As devolution gathers pace, English devolved authorities will have an increasing role to play in delivering on the UK's climate and nature targets.

There are already powers and funding available to mayors and devolved authorities that mean they can deliver in key areas like improving public transport, and their convening role means they're pivotal in co-ordinating other actions like retrofitting houses to improve energy efficiency. They could also do more to ensure that a thriving low-carbon economy is at the heart of their growth plans - which will be increasingly important if a new Local Growth Duty is introduced by the new government.

Although there are some great examples of action that we can point to, it's clear that overall progress so far is too slow, and devolved authorities must ramp up action using the powers and resources they've already been granted. They also need to get better at engaging their communities in shaping plans for their areas.

Currently, however, despite the roll-out of more and deeper devolution deals, local government at all levels still faces barriers to scaling up action for climate and nature. Austerity is felt in local communities with or without devolution deals, and funding is still too often in the form of short-term competitive grants that pitch areas against each other. Even when more long-term, stable funding has been part of a devolution deal, it comes with such detailed government scrutiny that it raises the question of whether it truly is devolution.

There are promising signals from the new government that local authorities and their communities will have more genuine power to act without this level of scrutiny - time will tell. It's not yet clear how local government funding may be reformed but it's essential that there's proper investment in local delivery of climate action - from being able to roll out retrofit programmes to improving local bus services. Setting clear outcomes for climate and nature in devolution deals should liberate mayors and devolved authorities to decide, with their communities, how best to achieve their contribution to targets for both, without national government needing to approve a grass root on a bus stop.

There may be nervousness among devolved authorities about a statutory climate duty and it certainly needs to be backed with long-term funding. But a new growth duty without links to decarbonisation risks the UK missing our carbon targets, putting vulnerable communities at risk of more extreme weather events and failing to grasp the opportunities of a fair transition to a thriving green economy.

## **Annex 1: devolution deal explainer**

**Trailblazer Deals** will deepen the existing level of devolution in Greater Manchester Combined Authority and West Midlands Combined Authority by granting a single funding settlement and more flexibility on how to spend their money, although this will still be subject to a set of criteria from national government. They will also confer additional responsibilities and powers in a number of policy areas including transport, skills, housing and retrofitting.

**Level 4 deals** are almost Trailblazer deals, but not quite. A single funding settlement for these areas and specific retrofitting responsibilities won't be on the table until the government has assessed the success of the 2 Trailblazer deals. For example, a Level 4 deal was agreed in March 2024 which deepened the existing deal in the North East Combined Authority. This will include "a consolidated single pot for housing and regeneration funding, as a stepping stone to a full single department-style funding settlement". Similar deals are also being agreed with West Yorkshire Combined Authority, South Yorkshire Mayoral Combined Authority and Liverpool City Region Combined Authority.

**Level 3 deals** require the adoption of a directly elected mayor and can be combined authorities or combined county authorities. These offer a wide set of devolved powers and funding, including control of devolved transport, housing, investment and skills budgets, as well as the power to create mayoral development corporations and impose a council tax precept. Examples include Hull and East Yorkshire, Greater Lincolnshire, Norfolk and Suffolk, where mayoral elections are due to take place in May 2025.

**Level 2 deals** involve devolution to single local government institutions, such as a county council or a combined authority, without a directly elected mayor. They offer a narrower set of powers, including skills funding and the ability to impose bus franchising. Examples are Buckinghamshire, Warwickshire, Lancashire, Surrey and Cornwall.

**Level 1 deals** are far more limited and offer few powers, instead focusing on supporting informal co-operation between local authorities, which could include reducing carbon emissions. There are no Level 1 deals yet agreed.

## **Annex 2: examples of mayoral powers relevant to climate and nature**

Although the exact powers, responsibilities and funding vary in different devolution deals, the following examples illustrate the opportunities that regional mayors have to act on climate and nature.

### **Green growth and jobs**

Economic development is central to all devolution deals and is at the heart of promises made by Keir Starmer to the Labour mayors. MCAs will draw up Industrial Strategies and will be the recipients of government investment funds aimed at boosting regional growth. This provides an opportunity to encourage investment in clean, green industry, including renewable energy infrastructure. This makes sense for the economy, as the Energy and Climate Intelligence Unit found that the [UK's net zero economy grew by 9% in 2023](#) in stark contrast with the 0.1% growth seen in the economy overall.

Although allocating space for renewables will be mostly down to the constituent local authorities, there's a clear role for MCAs to take a more strategic approach to renewable energy production and low-carbon heating through the co-ordination of Local Area Energy Plans. There are also potential opportunities to stimulate the growth of green jobs. Mayors have control over the Adult Education Budget, a valuable tool in the potential reskilling of workforces to take up these new jobs.

Mayors also could, and should, take a stance against high-carbon infrastructure like airport expansions, as well as the use of any hydrogen other than "green" hydrogen.

### **Transport**

Transport is a key area where MCAs have devolved powers and dedicated multi-year funding. The City Region Sustainable Transport Settlement (CRSTS) is a multi-year grant for capital spending that mayors can decide to use for decarbonisation and improving public transport, walking and cycling.

Bus franchising is a key power conferred on most MCAs and the Mayor of London to bring buses within their control, enabling them to ensure that fares are affordable, that routes meet residents' needs, and that they're served by electric vehicles. To ensure a properly connected transport service like in London, MCAs will also need more control over local rail services, but so far only the MCAs with Trailblazer deals (Greater Manchester and the West Midlands) are being given these opportunities.

### **Housing and buildings**

A new commitment in both Trailblazer areas is that the government will pilot the devolution of allocated net zero funding, including for buildings retrofit from 2025.

In other areas, regional mayors can use their convening powers to co-ordinate retrofitting, using the local knowledge of their constituent authorities to assess priority needs and helping to access government funding, which can be challenging for individual local authorities to do. A more co-ordinated approach can help to give confidence to local supply chains. MCAs have control over Adult Education Budgets, so they have a role to play in addressing skills gaps for insulation and heat pump installation.

Planning powers for MCAs vary, but some mayors can produce spatial development strategies, working with constituent local authorities. These can set out climate ambitions that Local Plans would then need to follow, for example by leading the way on high energy efficiency standards for new buildings. In addition, most devolution deals include funding for brownfield housing and affordable housing, providing the opportunity to ensure that these are zero carbon to tackle emissions and fuel poverty.

### **Nature**

Most mayors will be responsible for drawing up Local Nature Recovery Strategies for their areas. They can work with stakeholders to develop and implement ambitious plans to protect and restore nature, significantly increase tree cover, and make sure everyone has access to nature-rich green space.

Local Nature Recovery Strategies should contribute to the 30x30 biodiversity principles (to protect 30% of land for biodiversity by 2030) agreed at the international biodiversity summit in December 2022, which the UK signed up to.