

## Carbon Offset Funds: Monitoring Report 2021

DECEMBER 2022

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### This report

In late 2021 and early 2022, London's 35 Local Planning Authorities (LPAs) responded to the Greater London Authority's carbon offset fund survey. This is issued annually to monitor how the offsetting policy is being delivered, the value of these funds and how they are being spent.

#### London's 35 LPAs include:

- the 32 London boroughs
- the City of London Corporation
- the London Legacy Development Corporation (LLDC) in east London, and
- the Old Oak & Park Royal Development Corporation (OPDC) in west London.



- ▲ Old Oak & Park Royal Development Corporation
- London Legacy Development Corporation

### Summary

Carbon offset funds allow developers the flexibility to meet the London Plan net zero target, once on-site reductions have been maximised. The London Plan requires LPAs to monitor and report annually on the operation of their carbon offset funds. This report summarises the value of funds, expenditure, types of projects being funded, and the governance and monitoring arrangements in place, and concludes with recommendations for LPAs.

Overall, there has been a sizeable increase since 2020 in the size of offset funding secured and collected, and also in the amount spent on carbon saving projects. Despite the challenges of the COVID-19 pandemic, the amount of offset funds spent has increased.

We expect to see this good progress continue into 2022 as LPAs increasingly align their offset fund expenditure with their responses to the climate emergency. We also encourage LPAs to consider strategic opportunities to pool funds with each other where there are opportunities to meet sub-regional and/or London-wide green recovery objectives, in line with the London Recovery Board's Green New Deal Mission.

These latest results shows there has been a positive response to the Mayor's 2020 recommendations.

For example, 13 LPAs reported combining offset payments with other sources of funding to maximise their impact - almost double the number in 2020.



Since 2016 the Mayor's carbon offsetting policy has realised £145m across London to support activities that tackle the climate emergency.



Of this £145m, £55m has been collected or secured for collection since the 2020 survey.



91 per cent of LPAs reported an increase in the amount collected or secured for collection since 2020.



**21 of 35 LPAs have begun spending** their carbon offset funds, compared to 15 in 2020. (Some LPAs reported challenges in spending funds which are outlined on page 15).



Carbon offset fund expenditure has increased to £19.3m, £5.5m more than in 2020.



Projects on schools and LPA corporate estates were the most popular, mostly involving energy efficiency improvements.



Only two LPAs reported that no funds had been collected so far, but they were able to either show progress in securing payments by legal agreement or provide a valid reason.



# Introduction

### The role of the planning system in the climate emergency

#### Pathway to Net Zero Carbon by 2030

The Mayor of London has declared a climate emergency and is aiming for **London to** be net zero carbon by 2030.

To support this ambition,
London has adopted an
Accelerated Green pathway,
balancing urgency, ambition,
social justice and
deliverability. This will require
co-ordinated action from the
Mayor, LPAs, communities,
businesses, financiers and the
public sector.



There are many benefits in achieving net zero, including supporting tens of thousands of jobs; improving health through better air quality and more active lifestyles; reducing energy demand and making our energy supply cleaner and more resilient; limiting the impacts of climate change; reducing inequalities and improving quality of life for all.

#### **Planning and Net Zero Carbon**

The planning system plays an important role in our response to the climate and ecological emergencies by **reducing carbon emissions**, implementing **climate adaptation measures**, **improving air quality** and ensuring all new developments aspire to the **highest sustainability standards**. If we don't do this now, we are only adding to the number of buildings that will need additional energy efficiency improvements and renewable technologies installed later on, at greater cost and disruption.

The <u>London Plan's</u> net zero carbon target applies to **all major planning applications** and year on year is incentivising on-site **carbon reductions far beyond national building regulations.** This progress is reported annually through our <u>publicly available Energy Monitoring Reports</u>.

The London Plan is key in ensuring London's new developments play their part in responding to the climate emergency and reaching net zero by 2030

### Meeting the net zero carbon target

The London Plan requires all major developments\* to achieve net zero carbon. There is a <u>minimum</u> requirement for a 35 per cent on-site carbon improvement on national Building Regulations.

Beyond this, and once on-site carbon reductions have been maximised, the shortfall to zero carbon is offset by making a cash-in-lieu contribution into the relevant LPA's carbon offset fund.

To meet the target, planning applicants are expected to follow the energy hierarchy:

- 'Be Lean' use less energy
- 'Be Clean' supply energy efficiently and cleanly
- 'Be Green' maximise renewable energy
- 'Be Seen' monitor, verify and report energy performance

Planning applicants are expected to maximise savings on-site before paying to offset residual carbon emissions

#### The Energy Hierarchy **Building Regulations baseline** Energy Be lean: use less energy efficiency Be clean: supply Seen energy efficiently Be green: use renewable 35% on site energy carbon reduction Offset Zero carbon target

### Carbon offset funds

Until approaches and technologies improve to allow further on-site carbon reductions, **carbon offset funds allow developers the flexibility to meet the London Plan net zero target**. The carbon offset payment is secured through a section 106 agreement.

Funds are collected by LPAs and are **ring-fenced for carbon reduction projects** in the respective LPA. It is important that these funds are utilised effectively as part of an LPA's response to the climate emergency.

The Mayor's **recommended carbon offset price is £95/tonne CO<sub>2</sub>**. Alternatively, LPAs can apply their own locally-set cost of carbon.

Offset funds play an important role in funding carbon reductions from existing buildings, which can be more challenging compared to new buildings

#### All LPAs are required to:



Collect carbon offset payments for any major development with a carbon shortfall.



**Set up a carbon offset fund**, this includes developing a pipeline of projects to invest in.



**Establish a carbon offset price** or use the GLA's recommended price.

Further details are available in the **GLA's Carbon Offset Fund Guidance** (referred to as 'the guidance' for the remainder of this document) which can be found <u>here</u>.



# Results

### Total value of carbon offset funds

Total value of carbon offset funds secured since 2016 - £145,210,000

The total value of an LPA's carbon offset fund is dependent on:

- the number of planning applications the LPA has received
- f the carbon offset price used
- the difference between on-site carbon reductions and zero carbon for each qualifying major development, and
- when LPAs collect payments i.e. at planning approval, commencement on-site or post-construction.

Collection of payments can take several years depending on when the LPA has elected to collect payments (see page 13).

Four LPAs were not able to provide updated data in the timeframe of the survey. Where relevant, we have assumed values for these LPAs and LPAs that didn't respond are unchanged from last year.

Total amount secured by legal agreement (but not yet collected) £97,787,000

Total amount collected £47,423,000

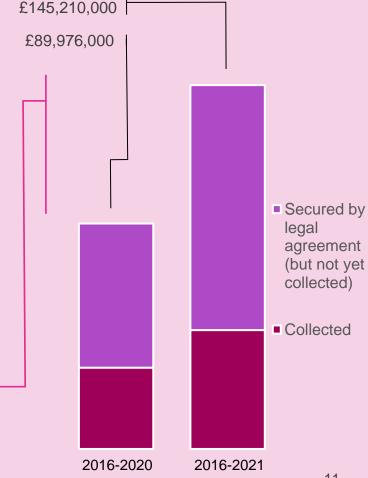
### Total value of carbon offset funds (2)

An additional £55.2 million has been collected or secured for collection since the last carbon offset survey in March 2020 (a 61 per cent increase). This is very encouraging progress and provides a clear indication that LPAs are successfully applying the offsetting requirement and developers are responding positively.

This data represents the amounts collected since London's net zero carbon homes policy came into effect in 2016. As of 2021, the net zero carbon target also applies to major non-residential developments and they are now making offset payments accordingly.

The table on the following page provides a breakdown of these carbon offset payments by each LPA.

An additional £55.2 million of carbon offset payments have been collected or secured for collection since 2020



### Breakdown of carbon offset payments by LPA

Local Planning Authority	Total amount collected	Total amount secured by legal agreement (but not yet collected)
Barking & Dagenham	£33,108	£0
Barnet	£133,751	£4,415,689
Bexley	£199,474	£704,270
Brent	£800,000	£2,150,000
Bromley	£485,842	£2,254,605
Camden	£2,331,686	£2,825,296
City of London Corporation	£553,060	28,800,000
Croydon*	£1,424,000*	£3,684,000*
Ealing	£697,756	Data not available
Enfield	£244,739	£16,425
Greenwich	£1,104,350	£2,414,195
Hackney	£1,458,506	£2,987,074
Hammersmith & Fulham	£352,667	£3,333,382
Haringey	£1,367,590	£3,004,703
Harrow	£1,209,466	£1,576,786
Havering	£538,000	Data not available
Hillingdon	£1,272,342	Data not available
Hounslow	£1,411,200	£4,709,001

Local Planning Authority	Total amount collected	Total amount secured by legal agreement (but not yet collected)
Islington	£8,049,999	£3,420,307
Kensington & Chelsea	£161,251	£478,835
Kingston	£612,491	£1,034,737
Lambeth	£398,379	£4,836,411
Lewisham	£955,715	£2,408,246
London Legacy Development Corporation	£1,293,527	£1,493,790
Merton	£377,871	£299,715
Newham	£1,536,315	£4,749,102
Old Oak and Park Royal Development Corporation	03	Data not available
Redbridge	£0	£1,375,300
Richmond on Thames	£27,596	£668,648
Southwark	£2,361,693	£10,654,246
Sutton	£26,563	£629,217
Tower Hamlets	£7,419,464	£14,295,751
Waltham Forest	£2,463,128	£1,450,816
Wandsworth	£1,200,071	£3,876,377
Westminster	£4,921,485	£3,240,206
TOTAL	£47,423,084	£97,787,130

### Progress in collecting carbon offset payments

The majority of LPAs continued to report an increase in the amount either collected and/or secured for collection since the previous year.

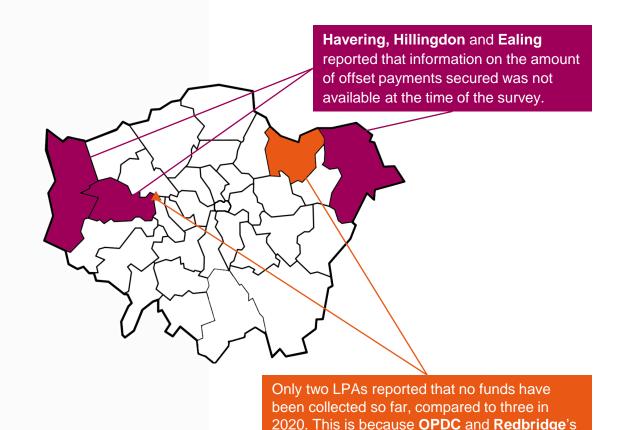
The amount collected and available for spending is 33 per cent of the overall total. This fluctuates year on year for a variety of reasons:



Fund collection through the planning system results in a time lag between securing for collection and collection. It may also decrease over time if LPAs choose to revisit offset payment calculations later, prior to construction, as has been reported by Ealing and OPDC.



Developers have three years to commence construction following planning approval, resulting in a period of time between payments being secured and payments being made.



total payments are calculated and collected only when a development is complete.

### Carbon offset fund expenditure

An additional six LPAs reported they were spending their carbon offset funds compared to 2020, bringing the total to 21. The barriers they overcame are listed on page 15.

The table (right) lists the amount of offset funds spent or committed to a specific project since 1 October 2016. The **amount of funding spent has increased to £19,349,000**. This is around **£5.5 million more** than was reported in 2020.



It is important that LPAs continue to identify and fund new projects to spend their offset funds and help deliver the carbon reductions we need to see across London. **LPAs should consider strategic opportunities to pool funds** to meet subregional London-wide green recovery objectives. Three LPAs reported that they are considering this.



We encourage LPAs to find opportunities to co-fund projects from other funding sources (see page 22 for further details) and to use the guidance which includes information on how to identify projects, including investigating <u>GLA</u> programmes such as the Retrofit Accelerators for project development support.

We expect continued progress into 2022 and increased alignment of expenditure with LPA priorities, as set out in climate action plans and in support of a green recovery from the COVID-19 pandemic.

#### Additional £5.5 million+ in offset spending since 2020

Local Planning Authority	Total committed expenditure (£)
Barnet	£45,400
Bromley	£71,300
Camden*	£153,800
City of London Corporation	£14,400
Croydon**	£843,000
Ealing	£68,000
Enfield	£240,000
Greenwich	£10,000
Hackney	£798,000
Hammersmith & Fulham	£125,300
Haringey	£520,000
Hillingdon***	£234,800
Hounslow	£364,400
Islington	£8,765,100
Kingston	£310,200
Lewisham	£30,000
Merton	£82,000
Newham	£264,500
Tower Hamlets	£4,318,000
Waltham Forest	£1,417,400
Westminster City Council	£673,400
TOTAL	£19,349,000

<sup>\*</sup>Camden's figure has reduced as some large legal agreements signed have since been collected therefore reducing the amount of outstanding payment

<sup>\*\*</sup>No data reported by Croydon - assumed values unchanged from 2020

<sup>\*\*\*</sup>Hillingdon's value has reduced as it has been updated with a more accurate figure than 2020

### Challenges for LPAs in spending funds

The 2021 survey has shown the impressive amount of activity and progress made in LPAs to collect and spend funds. This is demonstrated by the increase in the amount of funding that has been collected or secured for collection. However, **some LPAs did report facing challenges**, which included:



**Six LPAs** reported **a lack of staff resource**, down from ten in 2020. This includes the ability to find cost effective projects and co-funding opportunities.



Four LPAs reported that they were waiting for a sufficient level of funding to be collected to deliver a project of significant scale to justify the staff allocation, down from nine in 2020.



Only two LPAs cited the COVID-19 pandemic as slowing down their fund activity (down from four in 2020).



Three described the absence of a governance structure enabling funds to be spent.

It is notable that no LPAs indicated that these challenges were insurmountable, with some reporting they were able to overcome barriers that they had reported last year.

#### Non-payments and returns

LPAs have an important role in ensuring offset payments are collected from all relevant developments.

Only one LPA confirmed they returned an offset payment to a developer. This was part of the review mechanism process that the financial covenant was subject to.

#### **Off-site arrangements**

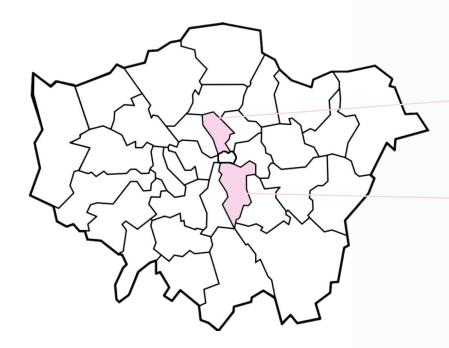
Some developers use an **alternative approach** where **LPAs agree** they may undertake a **project off-site to meet a shortfall in emissions** instead of paying into an offset fund.

As with projects funded directly from the carbon offset fund, any projects that are funded directly by a developer must be agreed with the LPA first. They should deliver carbon savings and should demonstrate additionality in line with the guidance.

Only 16 LPAs reported challenges in spending their funds, down from 23 in 2020

### Carbon offset price

All but three LPAs reported using the **latest GLA-recommended** carbon offset price of **£95/tonne**, in line with the 2021 London Plan. One is currently reviewing its policies with a view of adopting the recommended price, and the other two have adopted their own locally set price (see opposite).



#### **Locally-set carbon offset prices**

LPAs can develop, publish and keep under review their own carbon offset price based on the cost of offsetting carbon emissions locally, instead of using the GLA-recommended price. In 2021, two LPAs reported having done so:

#### Islington

£920/tonne one off payment equivalent to £30/year over a 30-year lifetime. It applies to both regulated and unregulated emissions (GLA offset price applies to regulated only).

#### Lewisham

Commissioned a study to assess the likely costs of offsetting carbon emissions for a range of policy scenarios and offsetting measures. As a result, a cost of £104/tonne/year (over a 30-year period) is used.

### Types of project

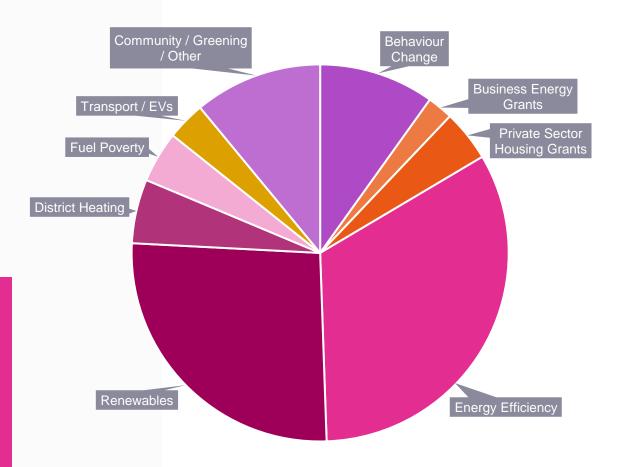
LPAs were asked to report on the types of projects that have been, or will be, funded through their carbon offset funds. **The pie chart shows the main project categories which LPAs are targeting**, according to how many LPAs said they were funding each type of project.

Projects on energy efficiency improvements and renewable energy installations were most popular and primarily taking place in LPA corporate estates and schools. Behaviour change and greening projects were also popular. Three LPAs have chosen to fund transport-related projects e.g. the installation of electric vehicle charging points.

LPAs provided some case studies of the projects being funded and some of those are included in the next few pages.

We recommend that funds are targeted towards energy efficiency, renewable energy and district heating projects where solutions are readily available and commonly undertaken. This will help in reducing the cost of living, as well as supporting organisations such as schools and public institutions.

Projects with less tangible carbon savings (e.g. behaviour change), or improving resilience (e.g. tree planting, greening) can be funded but should not benefit from the majority of an LPA's fund. See <a href="the guidance">the guidance</a> for further details.



### Case studies 1

#### Waltham Forest - Eco Showhome in Walthamstow



A Council-owned Victorian terrace property built in 1902 received a deep full-house retrofit to demonstrate how to reduce carbon emissions and lower energy bills.

Improvements included: wall, roof and underfloor insultation, double glazing, mechanical ventilation and heat recovery, installation of an air source heat pump, solar PV and wastewater heat recovery. People can tour the property to see how these improvements have enabled the EPC rating to increase from a Band E to a Band A.



The annual heat demand was estimated to fall from 17,000 kWh/yr to 8,000 kWh/yr. Once tenanted, the energy performance will be monitored for 5 years.



The total lifetime carbon savings is estimated to be 237 tonnes over a 30-year lifetime. The total project costs were £115,000.



The project received £56,800 from the Council's Carbon Offset Fund, £2,300 ECO3 funding, with the remaining from internal Council budgets. More information is available <a href="https://example.com/here/budgets/">here</a>.

#### Wandsworth - Decarbonising the Council's portfolio

In order to allocate funding, detailed energy audits and project feasibilities were undertaken at the top 27 consuming sites across the borough, including all Council offices, leisure centres and youth clubs. This was to identify the most efficient and effective projects to be financed across a four phase Strategy.

Phase 1 comprises 15 projects across nine sites, to be completed in December 2022. Works include installing loft and cavity wall insulation, LED upgrades and a building energy management system. Larger works in this phase include installing air source heat pumps to six buildings.



Work in Phase 1 is estimated at £1.013m and is expected to deliver savings of 1,359,000 kWh per annum and reduce the emissions from the portfolio by 347 tCO<sub>2</sub> per annum.



Phase 1 is funded by £855,000 drawn from the Carbon Offset Fund, with the remaining £158,000 financed by the Council's internal ring-fenced Climate Change Fund.

### Case studies 2



#### **Kingston - Warm Homes Better Health**

The Warm Homes Better Health scheme for vulnerable residents enables effective responses to residents' needs utilising offset funds. It achieves this through the following measures:

- financial savings and income maximisation
- securing funding for structural home energy efficiency improvements
- ensuring compliance with the Housing Health and Safety Rating System (HHSRS) and the Minimum Energy Efficiency Standard (MEES)
- demonstrating best practice against the National Institute for Health and Care Excellence Guidance (NICE) guideline around excess winter deaths and health risks associated with cold homes.



The project evolved to a casework model with more one-toone support identified through home visits.



It received £15,000 of carbon offset funding and, combined with around £25,000 from other available funds, to help leverage  $685 \ tCO_2$  savings from the measures installed in the first year.

#### Richmond upon Thames - Retrofitting Energy Efficiency

Under the Council's Decarbonisation Strategy, feasibility studies were funded using a grant from the Low Carbon Skills Fund to assess energy efficiency improvements at the top CO<sub>2</sub> emitting sites.

In 2021 the Council agreed to fund a four-phase programme with. Improvement measures that included:

- insulation upgrades
- installation of heating control
- LED lighting and
- air source heat pumps to the top carbon emitting sites.

#### Works carried out under Phase 1:



used £15,000 from the Carbon Offset Fund, with the Council's ring-fenced Climate Change Fund contributing £1.015m.



expected to achieve savings of 42.5 tCO<sub>2</sub>.

The full programme of works is expected to save 82.5 tCO<sub>2</sub> per year from a reduction in energy use of around 1,240 MWh.

### **Governance arrangements**

**Thirty-four LPAs responded** to the question asking them to confirm the governance arrangements for their offset fund.

Twenty-nine reported that governance arrangements are in place (up from twenty-two in 2020). The remaining five LPAs reported that governance arrangements had not been established yet, pending an appropriate amount of funding being reached.

**Most LPAs are making use of existing processes** rather than setting up new ones to manage their offset funds e.g. section 106 monitoring and reporting processes. Some examples are presented opposite.

Setting up new governance arrangements is not necessarily required. Using existing processes is an efficient way to manage carbon offset fund decision-making.

This approach is recommended as it avoids establishing unnecessary governance arrangements and will prevent delays to approving offset projects.

#### **Processes to manage funds**

Harrow hold regular meetings between the Head of Natural Resources and Climate Strategy and the Corporate Director of Community, to identify and agree potential projects.

Business cases for releasing funds are agreed by the Corporate Director of Community, and the Planning Policy Manager. This is monitored through Directorate Commissioning, Contracts and Capital Board and reported to the Climate and Ecological Emergency Officer Group.

The development of **Kingston's** Climate Emergency Action Plan has given the Steering Group of Assistant Directors the first stage of the decision-making process. A review of the section 106 process is intended to provide overarching arrangements to enable carbon offset funding to be considered in parallel as a part of these processes.

In **Merton**, local offset funding is secured and allocated on a project-by-project basis, in accordance with the section 106 regulations. Council officers are responsible for processing the approved proposals and submitting through the section 106 process to secure funds. The Director for Environment & Regeneration currently approves projects.

### **Project auditing**

All offset projects must be able to demonstrate that they will save carbon before they are funded and that these savings will occur post-installation. Thirty LPAs responded to the question concerning how projects are audited to ensure that carbon savings have occurred.



Twenty-two LPAs confirmed that carbon savings will be verified post-installation, with seven confirming this is already taking place.



Thirteen LPAs reported that they do not currently have or require an auditing process. The reasons include auditing not being required yet, structures not yet in place, or insufficient resource.



**Eight LPAs** discussed that they **implement KPIs** and **effective data collection and management** through smart meters, bills EPCs etc. to monitor performance.



Five LPAs mentioned that monitoring and evaluating is specifically detailed in their funding agreements.

An example of how LPAs audit projects is described here.

#### **Kensington and Chelsea**

As part of the selection and bidding process, all applicants are required to outline how the project will be monitored, providing estimates of carbon savings. They must also commit to providing in-use monitoring data for multiple years. The projects will be verified post installation to ensure that the carbon savings have been achieved, and this is a critical part of the Funding Agreement.

All carbon offset projects should demonstrate they will save carbon before they are funded and this should be verified post-installation through monitoring and evaluating.

If auditing arrangements are not already in place, we recommend working with other LPAs to learn more about how best to implement this.

### Combining sources of funding

LPAs are encouraged to utilise other sources of funding alongside their offset funds to maximise their impact. **Twenty eight LPAs reported** that they are **supportive of co-funding** (up from twenty in 2020).

Thirteen of these LPAs reported that this is already happening (up from seven in 2020). It is important that the additionality of these projects can be demonstrated and <u>the guidance</u> gives more information on this.

Kingston (see below) was able to access specific sources of funding due to the project being a district heat network.

#### **Kingston's Decentralised Energy Project**

This District Heat Network project combined the following funding sources:

- £ Kingston's internal Carbon Offset Fund
- £ Decentralised Energy Enabling Project (DEEP) from the GLA
- £ Heat Network Investment Fund (HNIP) from BEIS
- £ Heat Networks Delivery Unit (HNDU) application as match funding

#### **Sources of Funding**

- Energy Company Obligation (ECO)
- GLA Warmer Homes Fund
- Go Ultra Low City Scheme (<u>GULCS</u>)
- Green Homes Grant
- ► Heat Networks Delivery Unit (<u>HNDU</u>)
- ► Home Upgrade Grant (<u>HUG</u>)
- ▶ Mayor of London's Energy Efficiency Fund (MEEF)
- Mayor of London's <u>Green Bond Programme</u>
- Mayor of London's <u>Green Finance Facility</u>
- Office for Low Emission Vehicles (OLEV)
- Public Sector Decarbonisation Scheme (PSDS)
- Salix
- Social Housing Decarbonisation Fund (SHDF)

We encourage any LPAs who have not yet spent funds to begin investigating co-funding as a priority.



# Conclusions and recommendations

### **Conclusions**

- **2021** saw a scaling up in activity across the board in the amount of carbon offset funding secured, collected and spent on carbon saving projects.
- > 90 per cent of LPAs reported an increase in the amount collected or secured.
- 21 LPAs have begun spending carbon offset payments, compared to 15 in 2020. The remaining LPAs indicated they will begin spending shortly and we are encouraging them to identify projects that align with their climate action plans, using the case studies presented here and in the guidance.
- Now that more LPAs are spending their funds, the survey is gathering more information on how carbon savings are being verified This should form part of each project's evaluation process, with project owners required to confirm the carbon savings that have been achieved post-installation.
- Co-funding is now being used or explored by more LPAs than in 2020 We would like to see this number continue to grow with Mayoral funding, or other sources of funding, used in conjunction with offset funds to maximise their impact. It is encouraging to see LPAs combining their own funds with offsetting funds to support the delivery of their Climate Action Plans.
- Considerable progress has been made to ensure that offset funds can be managed effectively - This should now be a priority for the remaining LPAs to prevent any delays to carbon offset projects being approved and implemented.



### Recommendations

The planning system is a key lever in driving carbon reductions. London needs to cut emissions by at least a 50 per cent by 2030 to stand any chance of keeping global warming below 1.5°C. Therefore, it's more important than ever that LPAs apply the net zero carbon and offsetting policy consistently to all relevant planning applications and follow the recommendations set out below.

Continue to ensure the London Plan 35 per cent carbon reduction target beyond Building Regulations is met following the energy hierarchy to maximise on-site reductions before calculating offset payments.

**Consistently collect offset payments** for all relevant planning applications.

Adopt the higher carbon offset price of £95/tonne which was introduced in the London Plan 2021, unless LPAs have developed and published their own price based on the cost of offsetting locally. Local prices should be kept under review and updated as necessary.

Investigate opportunities to pool funds with other sources, and particularly with other LPAs, which London Councils should help facilitate. Suitable Mayoral programmes include the £500 million GLA Green Bond programme, for example.

Ensure suitable governance arrangements are in place to manage funds. Using existing processes is an efficient way to manage offset fund decision-making and can prevent delays to approving projects.

Use funds to overcome resource barriers. This will help in identifying cost-effective projects and co-funding opportunities.

Continue to accurately and comprehensively monitor the operation of offset funds and report annually to the GLA. The few LPAs reporting that information was unavailable are urged to provide data for the 2022 survey. This provides transparency, accountability and signifies the LPA is serious about tackling the climate emergency.

LPAs should verify carbon savings post-installation through monitoring and evaluation. If auditing arrangements are not already in place, we recommend working with other LPAs to learn more about how best to implement this.

Target funds towards energy efficiency, climate resilience renewable energy and district heating. This will help reduce the cost of living and help support schools and public institutions.

Align offset fund expenditure with priorities set out in climate actions plans. As funds grow, LPAs will have greater ability to fund carbon saving projects to help tackle the climate emergency.