# Decarbonising Zones: Background Paper

DECC, September 2024

## Summary

Each local authority has selected a Decarbonising Zone (DZ) as part of its Local Authority Climate Action Plan (LA CAP), a policy objective originally set out in the 2019 Climate Action Plan. DZs are a mechanism to harness a portfolio of actions, projects and technologies to deliver national and regional climate objectives at the local level. The DZ concept gives local authorities the mandate to take risks, innovate and develop demonstrator projects which, where successful, can be replicated nationally.

A spread of DZs has been put forward in the recently adopted LA CAPs in terms of size, type and actions. There are 41 DZs, 29 of which are urban, six part-urban and six rural. The combined population of the DZ area is 435,310 and the estimated total emissions for the DZs combined territory (2018 baseline year) is 3.9 MT co2 eq.<sup>1</sup>

The Department of the Environment, Climate and Communications (DECC) is the lead department for the DZs and is setting up a DZ Advisory Group to explore the strategic challenges and opportunities presented by this place-based approach to climate action locally. DECC has compiled this DZ background paper to support the Advisory Group, pulling in part from previously prepared material.

## Evolution of DZ Policy

Action 165 in the 2019 Climate Action Plan stated that "each local authority will identify and develop plans for one "Decarbonising Zone", to be led by the Department of Housing, Planning and Local Government, with the SEAI and local authorities as key stakeholders, for delivery by Q4 2019.

The DZ component was integrated into the Local Authority Climate Action Plan, which each local authority was required to adopt as per the Climate Action and Low Carbon Development (Amendment) Act 2021. This was reflected in the 2021 Climate Action Plan which required each local authority to "develop a decarbonisation zone within its administrative area that will become the focus for a range of climate mitigation, adaptation and biodiversity measures. This process will include the identification of projects and their associated outcomes that will contribute to achieving our national climate targets."

The SEAI developed detailed Management Guidelines for Decarbonisation Zones (2021). These were an evolution of the 2011 Sustainable Energy Community Guidelines for local authorities and were updated to take account of their experience in supporting Sustainable Energy Communities (SECs), energy master plans, and funding community level energy upgrades.

Previous work was carried out by the Department of Housing, Local Government and Heritage and the Department Circular LGSM01-20214 offered guidance and support for a consistent approach by local authorities to developing a DZ as part of their climate action plans. Local authorities identified their DZ, taking guidance from the criteria set out in the Circular according to the criteria:

(i) Urban areas and agglomerations with a population not less than 5,000 persons, or

<sup>&</sup>lt;sup>1</sup> CARO Initial Compilation and Analysis of LA CAPs PPT, April 2024

- (ii) Rural areas with an area of not less than 4km2
- (iii) Other location/areas that can demonstrate decarbonisation at a replicable scale

Many local authorities engaged directly with communities and organisations at that time to elicit proposals for DZ areas and in many cases had more than one area of the county which wanted to be part of the initiative.

Following the 2021 Act, DECC took ownership of the DZ concept and communicated this to local authority Chief Executives in early 2023, confirming that the DZs will form part of the LA CAPs and come under the same statutory footing.

Statutory guidelines to support local authorities in drawing up their LA CAPs were issued in March 2023. The guidelines state that local authorities must "identify and deliver a Decarbonising Zone (DZ) within the local authority area to act as a test bed for a range of climate mitigation, adaptation and biodiversity measures in a specifically defined area through the identification of projects and outcomes that will assist in the delivery of the National Climate Objective." An annex was prepared to provide guidance specifically on the DZs – Technical Annex D.

The focus on the DZs has carried through into the Climate Action Plans 2023 and 2024. The Climate Action Plan 2023 states that local authorities are responsible for the "development and delivery of Local Authority Climate Action Plans." Climate Action Plan 2024 states that local authorities must develop Decarbonising Zones and that a "Decarbonising Zone Action Group to focus on addressing blockages that require cross-governmental and agency collaboration" will be established.

# Decarbonising Zones and Local Authority Climate Action Plans

Local Authority Climate Action Plans are given statutory authority through the provisions of Section 16 of the Climate Action and Low Carbon Development (Amendment) Act 2021. Consequently, integrating the DZ policy into the LA CAP gives it a statutory footing and DZs are therefore subject to the same statutory processes, timeframes and other procedural requirements of the plan making.

The DZ is a distinct component of each LA CAP. Its scope and purpose, set within a delineated area with specifically targeted interventions, lend it a clear-cut focus. The guidelines require each local authority to include a vision statement, objectives and outcomes and to prepare a portfolio of projects – a "register of opportunities". Each local authority was also required to prepare a detailed Baseline Emissions Summary and Socio-Economic Profile to support the LA CAP.

The four Climate Action Regional Offices (CAROs) worked with the local authorities during the development phase of the LA CAPs and held a number of support events to assist with various elements of the plans. They held several DZ workshops in 2023 to help local authorities in planning their DZs and register of actions and put together a comprehensive guide to developing the DZ register of opportunities.

#### What are Decarbonising Zones?

DZs take a place-based approach to climate policy at the very local level which supports a systems approach. The place-based approach brings together a robust evidence base, context specific conditions and wider collaboration by stakeholders to create tailored polices to deliver the outcomes required.

A Decarbonising Zone is a demonstration and test bed of what is possible for decarbonisation at a local level. Through a feedback loop of experimentation and evaluation, the DZ should

foster a flexible, incremental and community-driven approach to ensure that its objectives can be delivered. There is no 'one size fits all' approach to developing a DZ. DZs could address multiple energy and non-energy related issues that drive decarbonisation such as mobility, heat, buildings, infrastructure, fuel energy poverty, skills, employment, well-being, circular economy, and land use.<sup>2</sup>

An initial scoping exercise of the DZs by the CAROs<sup>3</sup> found that 43% of actions are classified as community. The community actions cut across a range of areas such as health and wellbeing, capacity building, education, community groups, business and enterprise.

Within the DZ area, it is the purpose of local authorities to work collaboratively with stakeholders and communities, and help to promote exploration, co-creativity, innovation and new learnings in delivering climate action, as well as the economic and social benefits of decarbonising, such as just transition and health. In terms of mandatory sectoral emission reductions targets, there is no difference between the parts of the county inside or outside of DZ zones. The purpose is to assist and enable communities and stakeholders to undertake a range of collaborative climate change mitigation, adaptation and biodiversity measures.

DZs should consider the economic and social benefits of decarbonising, including just transition and health, and the wider co- benefits e.g. air quality, improved health, biodiversity, embodied carbon, agricultural practices, sustainable land management, lower noise levels. The zones can also integrate with smart data and smart cities initiatives. Additionally, a DZ can explore the co-benefits of climate adaptation and examine a range of local measures such as climate proofing, afforestation, green and blue infrastructure, reducing heat island effects, citizen awareness.

# Local authorities

Local authorities are ideally placed to bring multiple national and local agendas together and to share positive outcomes for their own operations and local communities. Local authorities have established close relationships with their communities and an understanding of the local social and economic context. They have extensive knowledge of the natural and built environment within their functional areas and are actively engaged in climate action measures.

Local authorities have full, direct responsibility over their own assets and infrastructure, with targets set for emissions reductions related to these areas. They do not necessarily have direct control to fully influence all of the energy and emission reductions within the boundaries of the DZ area. It is this understanding that sets the context for the nature of stakeholder involvement required for both the development and the implementation of the DZ.

The local authority is central to the coordination required to unlock and pursue effective action in the DZ. The purpose and specific place-based focus of DZs demands collective buy-in, support and partnerships and encourages a system's thinking approach. Local authorities were encouraged to undertake stakeholder and community mapping and prepare an engagement plan to:

- Identify and prioritise stakeholders, their influence and impact;
- Establish a sequence of engagement with priority stakeholders;
- Elicit insights, data and information; and,
- Build alliances and support.

<sup>&</sup>lt;sup>2</sup> SEAI Management Guidelines for Decarbonisation Zones 2021.

<sup>&</sup>lt;sup>3</sup> CARO Initial Compilation and Analysis of LA CAPs PPT, April 2024

Local authorities have looked to develop new networks with relevant stakeholders as well as strengthening existing networks. They have influence over other domains which impact on adaptation and mitigation, particularly through their planning function and providing a range of services locally. They co-ordinate and facilitate and take on advocacy role but cannot enable the transition to a low carbon economy alone. The DZs are about building a platform for collaborative action with other stakeholders and communities that could be enabled by necessary regulatory, policy and planning changes.

# Purpose of Decarbonising Zones

The DZ concept is motivated primarily to deliver actions and gathering learning which contributes to meeting the national emission reduction target of 51% by 2030 and net zero by end of 2050, from the baseline year of 2018.

Fundamental to the delivery of the targets within the defined DZ area is the deliberate focus on a place-based approach to climate action. The place-based approach brings together the findings of a robust evidence base, context specific conditions, and the promotion of wider collaboration by stakeholders to create tailored polices. This stimulates a systems-thinking approach that promotes exploration, co-creativity, innovation, and new learnings in the transition to climate neutrality.

DZs are test beds to not only demonstrate what can be done and accelerate learning for other areas but also to help understand the scale of the challenge in decarbonising the economy and wider society. As set out in the SEAI Management Guidelines for DZs, their successful implementation presents a number of opportunities for local authorities including ensuring that climate action by local authorities aligns with national climate policy and improving the built environment and low carbon infrastructure while creating a more liveable, healthier, and cleaner environment.<sup>4</sup>

# Further Information

- KPMG DZ Training Material for Local Authorities (2023)
- DZ Annex D Guidelines (2023)
- SEAI Management Guidelines for DZs (2021)
- CARO Developing DZs Briefing Paper for the LA Sector (2020)

<sup>&</sup>lt;sup>4</sup> SEAI Management Guidelines for Decarbonisation Zones 2021.