

Local Government's Offer on Climate Change



Executive Summary

For government to achieve its legally binding targets on CO2 reduction, renewables and fuel poverty, it needs to work with local government.

Foreword

[REDACTED] of the Local Government Association

I welcome the challenge that Chris Huhne gave us at the annual Local Government Group conference. I've always firmly believed that local government is key to taking action on climate change. Local government is not only the closest governance structure to those who will ultimately decide whether we meet our targets or not – our citizens – but it is also able to work internationally, through international local government networks, as we tackle the global problem that is climate change.

[REDACTED] Environment and Housing Board

As we tackle the greatest financial crisis for a generation, local government has to support its local people and businesses in being more efficient, saving money, and making money in new ways. Councils are in an ideal position to help their residents and businesses save money on their fuel bills by having more energy efficient homes and properties. Councils being able to sell energy means we can raise additional revenue, invest this locally, and help keep bills low. Councils have to consider how their priorities link together, such as waste, economic development, local employment and transport. Our 'Offer' to DECC on climate change is about how we can work together to make these tangible differences locally that can add up to meeting national climate change targets.

The Local Government Group

Our Group, and the sector as a whole, has responded to your proposition with enthusiasm and imagination. We believe there is the basis for a breakthrough in the relationship between national and local government which could play a strong part in achieving what the nation needs on climate and energy, and put us in the forefront internationally. But we need to emphasise at this stage that enthusiasm and interest in the sector by itself is not enough. It needs to be supported and enabled by a policy and funding framework at national level which puts councils centre stage, above all on the Green Deal, reflecting the strong evidence that energy efficiency schemes led by councils are the most popular with the public.

1. Background

For government to achieve its legally binding targets on CO2 reduction, renewables and fuel poverty, it needs to work with local government. Local government's involvement is essential because:

- local government is the nearest governance structure to the people and communities whose buy-in is needed to reduce the UK's carbon emissions
- local government has regulatory powers it can use
- local government has planning powers to shape and re-shape its local area
- local government has a strategic overview of delivery in the local area, and how to link services and functions for best value for money
- local government is not-for-profit and as such is trusted by local people to provide unbiased advice
- local government has the well-being of local residents and businesses its core objective
- local government can be held accountable for its actions to local people.

The Local Government Association has long recognised the importance of the local government sector in tackling climate change, and set up a Climate Change Commission in 2007 to explore this further. Their recommendations were presented in the Commission's final report, 'A Climate of Change'.

However, whilst there are many leading councils powering forwards on the climate change agenda, we do recognise that action on climate change is not consistent across local government. A new framework is needed to support councils, allow them to be accountable, and increase their level of ambition.

2. Introduction

In his address to the Local Government Group (LG Group), at their annual conference in July 2010, the Secretary of State for Energy and Climate Change asked the LG Group to:

- *Put forward an 'offer' outlining how local and central government can work together to meet our national climate change targets.*
- *Construct a new partnership between local and central government, which enables us to meet our goals in the fastest and most cost-effective manner we can.*
- *Set out how local authorities will play a central role in delivering the Green Deal.*
- *Discuss the appropriate structure through which local authorities can take the lead in accepting responsibility for carbon emissions in their own areas.*

The LG Group has responded to this request by developing an 'Offer', on behalf of the local government sector, on how local and central government can work together to effectively,

efficiently, and quickly meet the national climate change targets. The 'Offer' sets out a high-level statement of how this partnership approach could be achieved. Behind the 'Offer' are 15 detailed proposals that the LG Group believes are essential to enable the local government sector to actively contribute to national climate change targets.

The Offer

If government:

- creates a single, simple, source of funding
- provides incentives for the Green Deal and Renewables, and
- provides access to supporting data.

Then the Local Government Group will work with the sector and partners to:

- provide expert advice to Government, and
- provide support, advice, leadership, accountability to councils and negotiate on behalf of the local government sector
- facilitate the delivery of local carbon reduction policies and plans.

So that local government can:

- help local people and businesses save money through greater energy efficiency and generating their own energy
- reduce the cost of their own services by using energy efficiently and generating their own energy
- identify local opportunities for reducing carbon, and determine how they can be delivered
- support and incentivise local people, groups and businesses to be greener, and
- increase energy generation and supply from renewable and decentralised sources

3. Proposals

Proposal 1: A single journey for councils

The LG Group, with leading councils and partners, and with support from government, offers to build on the **Local Carbon Framework pilots** to create a single Local '**Low Carbon Transition Programme**' for all councils to develop local carbon reduction delivery plans.

Proposal 2: An evidence-based approach

With support from the LG Group and partners, and support from government to have access to the necessary **data**, councils will be able to adopt a local **evidence-based approach** to identifying opportunities for carbon reduction and renewables, developing a local carbon reduction prospectus and delivery plan that is transparent and accountable.

Proposal 3: Place-based budgets and a cross-cutting approach

With support from the LG Group and government, councils can use their expertise to create **place-based budgets and partnerships** that will reduce the cost of carbon reduction programmes, **overcome silo-thinking** and help people make positive lifestyle choices.

Proposal 4: The Green Deal

In return for giving councils easy access to information about the take-up of the Green Deal, and for incentivising Green Deal providers and energy suppliers with a carbon reduction obligation to **work in partnership locally**, councils can become **Green Deal providers**, Green Deal partners, or build on the work of leading councils to develop their own **energy efficiency** programmes.

Proposal 5: Saving energy in council's own estate

With support from the LG Group and government, councils and public sector partners will be able to **reduce energy consumption** and **save money** in the public-sector.

Proposal 6: Access to funding

Access to streamlined external funding and **revenue-creation programmes** for climate change programmes from, for example, the Green Investment Bank, councils will enable councils to deliver against their local carbon reduction delivery plans and **drive carbon reduction** and renewables programmes themselves.

Proposal 7: Renewables

With support from the LG Group and its partners, the information in the local evidence base, a **more appropriate regulatory framework** from Ofgem, and access to upfront funding, councils will be able to maximise the opportunities from **selling electricity** and enabling **renewable** and **decentralised energy**.

Proposal 8: The Low Carbon Economy

With support from the LG Group and its partners, through the development of **Local Enterprise Partnerships**, adding value to the **regulatory role**, and through local carbon delivery plans, councils will be able to support **local businesses** to take advantage of the emerging **low carbon economy**.

Proposal 9: Local Carbon Accountability

With support from the LG Group and Government, and building on the Local Carbon Framework Pilots, the sector will develop its own **Local Carbon Accountability Framework**.

Proposal 10: Communities and incentives

The LG Group will work with government and councils to encourage, support and enable **community-led initiatives** on climate change and energy, and provide local incentives for behavioural change

Proposal 11: Europe and International

The LG Group is offering to support Government in understanding the implications for local government enforcement of **European Directives and International Agreements**, to ensure negotiation and translation into domestic policy will lead to the desired outcomes.

Proposal 12: Planning and development control

The LG Group, with its partners, is offering to support local government in working with government to explore how the **planning system** can create **local low carbon communities**.

Proposal 13: Energy supply and transmission

Working in partnership between the LG Group, Government, councils, energy suppliers and the national grid, the local government sector can facilitate the effective roll out of **smart grids, electric vehicles and smart metering**.

Proposal 14: A partnership between DECC and the LG Group

To ensure closer working between central and local government on climate change and to realise national targets, the LG Group is willing to provide **training** for DECC on local authorities, will work with Ofgem on the making the regulations on energy work for councils, and will **provide input** where requested into the development of national policy.

Proposal 15: Leadership

The LG Group will continue to demonstrate **leadership** to its members and **promote local action** on energy, renewables, fuel poverty and climate change. The LG Group will also support its members by enabling them to show leadership in their local areas to the business sector and their local people.

These proposals were developed in consultation with the respective organisations that make up the Local Government Group (LG Group); the Local Government Association (LG Association), Local Government Improvement and Development (LG Improvement), Local Government Regulation (LG Regulation), Local Partnerships (LPs) and the European and International Unit (EIU).

They were also developed in consultation with representatives from the local government sector who implement current climate change initiatives and policies.

The final 'Offer' has been agreed by the LG Group's Environment and Housing Board. The

Environment Board is made up of Councillors from the across the country representing the interests of the sector on environment and housing issues.

4. Meeting National Targets

A closer relationship between the local government sector and DECC, and with support from the LG Group and its partners, could enable councils to: quantify the opportunities for reducing emissions of greenhouse gases within their area and power; set out their own local carbon reduction prospects for private-sector investment and community use; be an active participant in the Green Deal; and create local carbon reduction delivery plans, against which the sector can be held accountable.

It is likely that the local opportunities for the reduction of CO₂ do not add up to the total CO₂ reduction target that has been signed up to nationally. This is reflected in the most advanced council carbon reduction strategies, which rely to a significant extent on the decarbonisation of the grid and other interventions that require national action. However, the identification of local opportunities for carbon reduction and renewables can establish the extent to which local authorities can influence the national CO₂ targets, and the setting of local targets therein, and the extent to which national government needs to invest resources in decarbonising the national grid, amongst its other nation-wide policies. Much investment has been placed in high-level quantification of the number of installations required to meet our national targets, without the identification of where these installations are feasible.

5. Local Priorities

Whilst local government acknowledges the importance of meeting national climate change targets, this very broad concept still needs to meet local needs and priorities. Councils need to ensure that the action they take is offering value for money to local people, and that this action is giving them tangible local benefit. Councils want to ensure that any national programmes are delivered equitably, efficiently, and fairly, so all their residents can benefit. Councils recognise the importance of local action being led by local communities. Their decision-making, buy-in and understanding of how their council is tackling this issue are essential. Community groups and cooperatives may also want to take the initiative themselves in moving their local places to a low carbon future, and councils need to be able to assist them with their ambitions.

The issues that have greatest local resonance centre around reducing energy bills through energy efficiency and alternative sources of energy, reducing fuel poverty and ensuring their residents can be warm and healthy, with an energy supply that is secure and efficient, giving people the choices and opportunities to make lifestyle decisions that are good for the environment, themselves, and that also reduce carbon.

6. Making Progress

The LG Group envisages working with DECC and its supporting organisations over the next few months to explore the proposals set out in the LG Group's Offer on Climate Change. The LG Group wants to bring in leading councils to help shape progress in this area, particularly those councils who have committed to the Local Carbon Framework Pilots.

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