

MAYOR AND CABINET		
Title	Climate Local: delivery of Lewisham's Carbon Reduction and Climate Change Strategy	
Key Decision	No	Item 3
Contributors	Executive Director for Resources and Regeneration	
Class	Part 1	Date: 14 November 2012

1. Summary

- 1.1 This report seeks agreement that Lewisham Council should sign the Climate Local Commitment and the Local Authority Fuel Poverty Commitment and sets out our proposed approach to the Home Energy Conservation Act. The report also outlines current activity locally and nationally on climate change and fuel poverty.
- 1.2 The Sustainable Development Select Committee endorsed the proposal to sign up to Climate Local at its meeting on the 12 September 2012.

2. Recommendations

- 2.1 Mayor and Cabinet is asked to note the contents of this report and in particular agree that:
 - Lewisham Council signs the Climate Local Commitment.
 - Lewisham Council signs the Local Authority Fuel Poverty Commitment.
 - The Executive Director for Resources and Regeneration signs off future reports under the Climate Local Commitment and the Home Energy Conservation Act, unless required to do otherwise by the Council's Constitution.

3. Policy Context

- 3.1 The contents of this report are consistent with the Council's policy framework and in particular the corporate priority '*Clean, green and liveable: improving environmental management, the cleanliness and care for roads and pavements and promoting a sustainable environment*'. The report also supports the achievements of the Sustainable Community Strategy policy objectives '*Clean, green and liveable: where people live in affordable, high quality and adaptable housing, have access to green spaces and take responsibility for their impact on the environment*'.
- 3.2 Lewisham Council published its Climate Change and Carbon Reduction Strategy in 2008 and in December 2010 the Mayor agreed a target for a 40% reduction in carbon emissions by 2020 against a baseline of 1990.

3.3 The remainder of this report, particularly sections 5 and 6 on the Green Deal, the Energy Company Obligation and the Home Energy Conservation Act, outline key recent changes in national policy and how they affect the Council's approach to climate change and fuel poverty.

4. Climate Change and Fuel Poverty Activity in Lewisham

4.1 The Department of Energy and Climate Change (DECC) publishes annual figures for carbon emissions at local authority level. In August 2012 DECC published the latest data, with the full dataset covering six years from 2005-2010. Lewisham's carbon emissions have fallen by 11% over that time compared to a London average of under 5%. This means we have achieved a 25% reduction against a 1990 baseline¹, against our target of a 40% reduction in carbon emissions by 2020.

4.2 DECC statistics show that housing accounts for over half the borough's carbon emissions, compared to 36% for London and 30% for the UK. Our priority has been therefore to cut carbon emissions from housing by improving energy efficiency of the stock and helping residents cut their energy use and fuel bills. A focus on residents and their homes also creates opportunities to link to a fuel poverty agenda and to target resources towards the individuals and communities who can benefit the most. Our approach to achieving this has been to work with a range of partners to bring in external funding either through energy suppliers or Government grants.

4.3 Recent climate change and fuel poverty projects delivered by the Council include:

- Practical help to over 10,000 residents through Lewisham's Energy Action Zone which ran from 2007-2010
- Low Carbon Lewisham Central a 2 year programme funded by the GLA, which won Best Local Initiative in the 2011 Climate Week Awards
- 1,300 Lewisham Homes properties insulated in 2010 in a programme targeting high-rise and other difficult to treat social housing funded by the Homes and Communities Agency
- Delivery of GLA funded RENEW programme through Catford Energy Savers in 10/11 and Perry Vale Energy Savers in 11/12, accessing 2,700 homes and installing over 20,000 energy and water efficiency measures such as hot water tank jackets, radiator panels, energy monitors and showerheads
- Delivery in 2012 of an innovative solid wall insulation project on a Lewisham Homes block of 16 properties funded through the Government's Community Energy Saving Programme
- Targeted support to 200 residents vulnerable to cold weather through a Department of Health funded Warm Homes Healthy People programme in 2011/12

Lewisham Insulation Partnership

4.4 One of the main sources of funding on energy efficiency are the 'obligations' placed on energy suppliers by Government to achieve carbon savings, with the Carbon Emissions Reduction Target (CERT) the largest source of funding primarily used for loft and cavity wall insulation. Higher costs and other perceived difficulties have meant London has generally been at a disadvantage on CERT-funded projects

¹ This uses national data on carbon emissions for 1990 to 2005 as no local authority level dataset exists.

compared to the rest of the country. GLA figures indicate that while London represents 12% of the UK population it has received just 4.5% of total CERT spend.

- 4.5 The Lewisham Insulation Partnership was established in 2011 by the Council as a way of increasing the level of CERT funding in the borough. The partnership was created as a result of an EU compliant procurement exercise, with Osborne Energy selected as the preferred contractor.
- 4.6 Since September 2011 the Lewisham Insulation Partnership has insulated over 3,500 lofts and cavity walls drawing in over £940,000 CERT funding. We are able to install insulation free of charge in homes with an un-insulated loft or cavity wall at no cost to the resident or the Council. CERT funding ends in 2012 with the introduction of the Green Deal and a new Energy Company Obligation (ECO) and we have been seeking to maximise the use of the funding between now and the end of the year.
- 4.7 The Insulation Partnership has successfully linked to a range of other initiatives, including Lewisham Homes' Decent Homes programme, insulation in schools and delivery of a solid wall insulation project.

5. Green Deal and ECO

- 5.1 The Green Deal is the Government's flagship environmental programme. Final details of the scheme were published in June 2012 and it is expected to start to be available to households during the early part of 2013. The scheme is based on a financing mechanism that allows the upfront cost of retrofitting energy efficiency measures to be repaid through the household's energy bill. The benefits of taking up the Green Deal are underpinned by a 'Golden Rule' that any charge should be less than the expected savings from the retrofit.
- 5.2 The Green Deal is intended to be a 'whole-house' approach to energy efficiency, with a typical investment of around £6,000 paid back over a 25 year period. The Government has suggested that the Green Deal will be delivered at a massive scale, initially suggesting an investment of £15bn in the first 10 years of the programme. However development of the detailed proposals has taken longer than planned, and there has been uncertainty about the availability of low-cost finance. A key factor in the success of the Green Deal will be whether large numbers of people can be persuaded to take on the financing arrangements needed to improve the energy efficiency of their home.
- 5.3 The Energy Company Obligation (ECO) is a new £1.3bn obligation on energy suppliers introduced alongside the Green Deal. ECO funding will be split 75% on hard to treat measures (for example those that do not meet the 'Golden Rule'), 15% funding energy efficiency improvements to vulnerable households in owner occupier or private rented and 10% on a community programme focussed on the Lower Super Output Areas of lowest household income.
- 5.4 The Green Deal and ECO replace all existing Government programmes in England on energy efficiency, climate change and fuel poverty. Officers are therefore maintaining an active watching brief on the Green Deal, working with the GLA and other boroughs to assess the opportunities and risks. Given the uncertainty

associated with the launch of this new initiative we are continuing to monitor developments rather than commit at this stage to undertaking a particular role for example as a Green Deal Provider.

- 5.4 On ECO we are working closely with energy suppliers and others to establish plans to maximise the use of the obligation in Lewisham, through extending the Insulation Partnership and other initiatives. We hope to be able to bring these forward in the early part of 2013.

6. Climate Local and HECA

- 6.1 In June 2012 the Local Government Association launched Climate Local a successor to the Nottingham Declaration. Climate Local consists of a commitment for councils to sign up to demonstrate their support for addressing climate change with an associated reporting process for setting out the targets and actions councils intend to take. These reports are expected to be submitted within 6 months of signing the commitment. Annex A includes a copy of the LGA's Climate Local Commitment template.
- 6.2 This report seeks Mayor and Cabinet's approval that Lewisham should sign this Commitment. We will then develop a report building on our work to date based on the following
- Reviewing the Council's borough-wide carbon target and improving our evidence base for targeted action
 - Setting out in more details plans to extend the Lewisham Insulation Partnership
 - Setting out in more detail plans for bringing further investment into the borough through Green Deal and ECO
 - Development of partnerships with landlords, the health sector and community-based models of working, in particular to target resources to households most affected by rising energy costs and the impact of extreme weather events.
 - Improving energy efficiency across the corporate estate and schools
 - The role of the planning framework and future developments in raising standards across the borough
 - Utilising the Council's supply chain to promote sustainability and low carbon outcomes
 - The role wider services have to play in achieving low carbon outcomes, including: waste, transport, biodiversity, planning, housing
- 6.4 We will link this activity with the new requirement from Government under the Home Energy Conservation Act (HECA) introduced in July 2012 to require all English authorities to prepare a report by 31 March 2013 "setting out the energy conservation measures that the authority considers practicable, cost effective and likely to result in significant improvement of residential accommodation in its area."² Authorities are expected to provide progress reports at 2 yearly intervals.

² Guidance to the English Energy Conservation Authorities issued pursuant to the Home Energy Conservation Act 1995 (July 2012)

- 6.5 It is proposed that the inter-linked reports for Climate Local and the Home Energy Conservation Act will be signed off by the Executive Director for Resources and Regeneration, unless required to do otherwise by the Council's Constitution.
- 6.6 At its meeting on 12 September 2012 the Sustainable Development Select Committee discussed the approach to Climate Local and HECA set out in this report and endorsed the proposal that the Council should sign up the Climate Local.

7. Local Authority Fuel Poverty Commitment

- 7.1 The End Fuel Poverty Coalition includes Age UK, Child Poverty Action Group, National Energy Action (NEA), National Pensioners Convention, Save the Children, the TUC and a range of other organisations with interests in environmental, health, consumer and anti-poverty issues.
- 7.2 In September the Government launched a Local Authority Fuel Poverty Commitment which asks local authorities to sign a commitment pledging to:
- Make sure we understand the extent of fuel poverty in our area, its impact on health, housing and quality of life, and to take action to address it
 - Make sure that the Joint Strategic Needs Assessment, agreed between Councils and local NHS organisations, informs strategies to tackle fuel poverty
 - Work with partners such as Health and Wellbeing Boards and advice services to develop effective referral systems to reduce fuel poverty and cold-related ill health
 - Develop a strategic approach to improve energy efficiency in all housing and fulfil its potential to create jobs and prosperity in our local communities
 - Work with energy companies and related organisations to help make sure the Green Deal, Energy Company Obligation (ECO) and other energy efficiency programmes are delivered effectively in our area
 - Administer the benefits we are responsible for efficiently and fairly, and help make sure eligible households receive the benefits to which they are entitled
 - Explore ways of reducing fuel poverty that involve the whole community, including community groups and town and parish councils

8. Legal and Equalities Implications

- 8.1 The body of the report sets out the statutory framework within which national and local government seek to reduce carbon emissions. This includes the Home Energy Conservation Act 1995 amended in July 2012 to require local authorities to prepare a report by 31 March 2013 on planned energy conservation measures.
- 8.2 The Equality Act 2010 (the Act) brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new public sector equality duty (the equality duty or the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The new duty covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 8.3 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 8.4 As was the case for the original separate duties, the new duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 8.5 The Equality and Human Rights Commission (EHRC) issued guidance in January 2011 providing an overview of the new public sector equality duty (PSED), including the general equality duty, the specific duties and who they apply to. The guidance covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The guidance was based on the then draft specific duties so is no longer fully up-to-date, although regard may still be had to it until the revised guide is produced by the EHRC. The guidance can be found at <http://www.equalityhumanrights.com/advice-and-guidance/new-equality-act-guidance/equality-act-guidance-downloads/>.
- 8.6 The EHRC guidance does not have legal standing, unlike the statutory Code of Practice on the public sector equality duty which was due to be produced by the EHRC under the Act. However, the Government has now stated that no further statutory codes under the Act will be approved. The EHRC has indicated that it will issue the draft code on the PSED as a non statutory code following further review and consultation but, like the guidance, the non statutory code will not have legal standing.

9. Financial Implications

- 9.1 There are no specific financial implications arising from this report. Any expenditure to carry out the activities identified in the report will be contained within existing budgets and no additional expenditure is proposed. Should any additional expenditure outside of existing budgets be required then this would be subject to further reports to Mayor and Cabinet or other delegated decision-maker in accordance with the Council’s Constitution.

10. Environmental Implications

- 10.1 The energy efficiency and carbon reduction activity set out in this report are a key part of the Council’s work to reduce the threat of climate change and contribute towards the UK’s national targets for cutting carbon.

11. Equalities Implications

- 11.1 The Equality Duty has three aims. It requires public bodies (including local authorities) when making decisions to have due regard to the need to
- eliminate unlawful discrimination, harassment, victimisation and any conduct prohibited by the Equality Act 2010
 - advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
 - foster good relations between people who share a protected characteristic and people who do not share it.
- 11.2 The Council's Comprehensive Equality Scheme for 2012-16 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010.
- 11.3 The Council's work on providing residents with energy efficiency and fuel poverty related advice was informed by an Equalities Analysis Assessment carried out in 2011.

12. Crime and Disorder Implications

- 12.1 There are no crime and disorder implications arising from this report.

Originator

For further information please contact Martin O'Brien; Sustainable Resources Group Manager, 0208 314 6605.

Related documents

Climate Local Commitment http://www.local.gov.uk/web/guest/the-lga-and-climate-change/-/journal_content/56/10171/3574359/ARTICLE-TEMPLATE

HECA Guidance http://www.decc.gov.uk/en/content/cms/tackling/green_deal/gd_industry/gd_la/gd_la.aspx#HECA

Lewisham's Carbon Reduction and Climate Change Strategy (2008)
<http://www.lewisham.gov.uk/getinvolved/environment/energyefficiency/Documents/ClimateChangeStrategyFINAL.pdf>

1 December 2010 Mayor and Cabinet report
<http://councilmeetings.lewisham.gov.uk/Data/Mayor%20and%20Cabinet/20101201/Agenda/Item%2016%20Home%20Insulation%20Response%20-%201%20December%202010%20-%20PDF.pdf>

12 September 2012 Sustainable Development Select Committee report
<http://councilmeetings.lewisham.gov.uk/documents/s15778/03%20Climate%20local%20report%20120912.pdf>

Climate Local [insert council(s) name]:

Our commitment to taking action in a changing climate

We recognise that our council has an important role to help our residents and businesses to capture the opportunities and benefits of action on climate change. These include saving money on energy bills, generating income from renewable energy, attracting new jobs and investment in 'green' industries, supporting new sources of energy, managing local flood-risk and water scarcity and protecting our natural environment.

We will progressively address the risks and pursue the opportunities presented by a changing climate, inline with local priorities, through our role as:

- Community leader – helping local people and businesses to be smarter about their energy use and to prepare for climate impacts;
- Service provider – delivering services that are resource efficient, less carbon intensive, resilient and that protect those who are most vulnerable to climate impacts;
- Estate manager – ensuring that our own buildings and operations are resource efficient, use clean energy, and are well prepared for the impacts of a changing climate.

In signing this commitment, **we will:**

- **Set locally-owned and determined commitments** and actions to reduce carbon emissions and to manage climate impacts. These will be specific, measurable and challenging;
- **Publish our commitments, actions and progress**, enabling local communities to hold us to account;
- **Share the learning from our experiences and achievements** with other councils; and
- **Regularly refresh our commitments and actions** to ensure they are current and continue to reflect local priorities.

[Date]

[Name of council or group of councils]

[Signature of Leader or Mayor of Council]