



Cornwall Sustainable  
Energy Partnership



2005-2006  
Sustainable Energy

# Aligning National and Local Policies

To support local delivery of Climate Change  
Mitigation and Sustainable Energy priorities

*A report to CLG, DEFRA, DTI and DfT*

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## Part 1: Beacon Council Perspectives

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## 1.0 Executive Summary

### 1.1 Background

- 1.1.1 The purpose of this report is to help government departments to maximise cost-effective opportunities for the enhanced alignment of national policies with local delivery of climate change mitigation and sustainable energy priorities.
- 1.1.2 This is part one of a two part report. Part one sets the scene by bringing together perspectives from the eight Beacon Councils of Cornwall and the Isles of Scilly on national and local policy alignment. Part two, will build on these findings and explore policy alignment issues involving energy and regeneration, partnership working, access to EU resources and integration of biomass with rural economic development.
- 1.1.3 CSEP was commissioned via the Beacon Council Peer Support Fund to carry out this research on behalf of the Department of *Communities and Local Government* (CLG), the *Department for Environment, Food and Rural Affairs*, the *Department of Trade and Industry* and the *Department for Transport* (DfT). The findings and initial recommendations also have relevance to the Treasury, the Office of Climate Change and other Government departments.

### 1.2 Key Findings

- 1.2.1 The first key issue raised was that the **spread of sustainable energy and climate change responsibilities across several Government departments** is leading to policy contradictions, duplication and confusion. Local Authorities requested just one department and one document that collates all the relevant policies, legislation and guidance together in one place. This would be particularly helpful for Sustainability, Best Practice and LAA officers who are overwhelmed by the volume and constantly evolving nature of policies, reports and guidance produced by the different departments.
- 1.2.2 The second key issue is that there is a **lack of statutory energy and climate change targets for Local Authorities** with any real consequence for good or poor performance. More could be done to motivate and enable Local Authorities at a strategic level to assist the Government with key national targets for greenhouse gas reduction, fuel poverty and renewable energy/ CHP generation in particular. Fiscal rewards or penalties are highly motivating, as seen with LAA and Decent Homes targets, but Local Authorities are also motivated by CPA which carries no fiscal consequence. Bench-marking against other Local Authorities is a motivational tool but there is currently a lack of a robust methodology and meaningful performance indicators.
- 1.2.3 The third key issue is that Local Authorities say there is a **lack of resource** for officer time and delivery mechanisms. This suggests that sustainable energy and climate change is still a relatively low priority at local (and national) level, despite the urgency of the situation and the findings of the

Stern Review. Many feel the pace of change is far too slow.

- 1.2.4 Other examples of non-alignment were raised around the issues of local relevance (the need for urban and rural policies); Local Authority procurement rules; the number of agencies and grant schemes Local Authorities have to approach and the need to assess all policies for their climate change impacts.

### 1.3 Key Conclusions and Recommendations

- 1.3.1 In response to the issues raised by our Local Authority partners we have put forward a number of initial recommendations for the Government departments to consider. For quick reference, these recommendations are highlighted in **bold purple** in chapters 3 to 6 and are tabulated in summary form in chapter 7.

- 1.3.2 On the three key issues our initial thoughts are that:

- i. Greater alignment and coherence could be achieved if **one department had overall responsibility** for leading on and coordinating sustainable energy and climate change policies. The new Office of Climate Change is already being positioned to play this role.
- ii. **New statutory targets** could be introduced via the Local Area Agreement process and CPA. Reward based targets are more helpful than penalty based ones since to reduce funding, as could happen with under performance against Decent Homes targets, would simply reduce the Local Authority's ability improve performance.
- iii. Whilst **more investment from central Government** is clearly needed, CSEP has (as a quick win) proposed a number of ways that Local Authorities can increase funding for energy and climate change policy delivery from existing resources, particularly through the creation of revolving funds from energy savings and LAA reward. Many officers felt that the introduction of statutory targets would lead to increased allocation of resources within their Authority (as evidenced by the impact of including waste management in the CPA).

### 1.4 Next steps

- 1.4.1 The information gathered from the Local Authorities in part one of this report will provide the basis for discussion at a national level to identify some immediate 'quick win' actions that can be taken to enhance national and local policy alignment. It will also inform Part Two of this report.

## 2.0 Context

### 2.1 Structure and Scope of this report

- 2.1.1 This is part one of a two part report. Part one is intended as a 'scene-setter' for the second stage, more in depth report. It focuses specifically on **local authority perspectives** on national and local policy alignment.

- 2.1.2 The title originally agreed with the four Government departments was

“Aligning National And Local Policies To Create Cost Effective Opportunities For Carbon Reduction And Sustainable Development.” Carbon reduction has since been replaced by ‘climate change mitigation’ to reflect comments made by our partners about the inclusion of other greenhouse gas emissions and Sustainable Development has been replaced by ‘Sustainable Energy’ to focus the discussion on CSEP’s area of expertise.

2.1.3 Views were sought from both the strategic and the delivery levels of the eight Cornwall & Isles of Scilly Beacon Councils. The views expressed are those of officers and working groups involved in different aspects of climate change and sustainable energy policy delivery. They are not the corporate views of the local authorities. During the consultation period Cornwall’s Local Authorities were somewhat distracted by the preparation of proposals for the local government review which meant that some of the more strategic officers were unavailable for comment. This is also indicative that sustainable energy and climate change is less of a priority at the strategic level. The perspectives are particularly relevant to **peripheral rural areas**.

2.1.4 Phase one of this report explores policy alignment issues encountered by Local Authorities in the delivery of sustainable energy policies and targets relating to the following key areas:

- Public and private sector housing
- Spatial planning, development control and building control
- Council premises
- Waste management
- Transport policies and fleet management
- Sustainable communities
- Regeneration and economic development

2.1.5 Sections 3 to 6, discuss local authority perspectives on four key questions agreed at a meeting in June 2006 between CSEP and the lead officers from CLG, DEFRA, DTI and DfT. For quick reference initial recommendations are highlighted in purple in sections 3 to 6 and are collated in a summary table in section 7.

## 2.2 Policy Context

2.2.1 This report is written at a time of rapidly evolving policy on climate change mitigation and sustainable energy. A number of new key policies have recently been published whilst other policies are currently under review.

2.2.2 The **Local Government White Paper**<sup>1</sup> (CLG) was published in October 2006 and is putting into place some of the changes needed. Importantly, it highlights the role of partnership working, Local Area Agreements and the forthcoming Comprehensive Spending Assessment. The white paper involves a **Local Government Review** which, in Cornwall, has led to a proposal being submitted to CLG to replace the existing structure of one county council and 6 district councils with a new unified authority from April 2009.

2.2.3 The **Stern Review Report on the Economics of Climate Change** (HM Treasury) was published in October 2006. It gives stark warnings about the potentially disastrous economic impacts of climate change and the urgent

need for action. It concludes that in order to stabilise emissions at manageable levels, investment in climate change mitigation would require an annual cost which is equivalent to 1% of the UK's GDP. Translated to a local level this means a cost of approximately £56.5 million per annum to Cornwall alone (based on 2003 GDP figures). The review warns that if we fail to take action now the 1% will stretch to 4 or even 5% of GDP in the next twenty years.

- 2.2.4 The **Home Energy Conservation Act** (DEFRA, 1995), which aims to secure improvements in domestic energy efficiency is currently under review.
- 2.2.5 An initial consultation for **Energy Efficiency Commitment 3** was published in August 2006. EEC3 will run from 2008 to 2011 and DEFRA is seeking early views on the main elements of EEC prior to the statutory consultation in 2007. The consultation is aimed at ensuring a smooth transition between EEC2 and EEC3 and to enabling a constructive discussion about the implications of the recent **Climate Change and Sustainable Energy Bill**, the priority group and the role of trading. EEC3 is expected to show a major policy shift.
- 2.2.6 A consultation on CLG's new **Planning Policy Statement: Planning and Climate Change**<sup>2</sup> ended in March 2007. This will become a supplement to *PPS1: Delivering Sustainable Development*<sup>3</sup>.
- 2.2.7 England's **Waste Strategy** is under review. The consultation closed in May 2006 and the revised strategy is due to be published in 2007.
- 2.2.8 A consultation on CLG's, **Building a Greener Future: Towards Zero Carbon Development** closed in March 2007. This proposes a target for all new development to be zero carbon by 2016 and the introduction of a mandatory Code for Sustainable Homes by 2008.
- 2.2.9 DEFRA is consulting on a draft **Climate Change Bill** until June 2007. The Bill proposes to make the UK's 26-32% by 2020 and 60% by 2050 CO<sub>2</sub> reduction targets legally binding; to introduce a system of 5 year carbon budgeting beginning with the period 2008-2012; to bring in enabling powers to make future policies quicker and easier to introduce; to create a new independent body to advise on setting carbon budgets and report annually on progress - the *Committee on Climate Change* and to introduce a new system of Government reporting to Parliament.
- 2.2.10 With so many key policies being reviewed and updated this is an opportune time to assess how policies and departments are interacting and to identify areas where policy alignment can be strengthened.
- 2.2.11 This report also builds on research carried out by CSE for DEFRA in 2005 on the scope for further CO<sub>2</sub> reductions from local and regional activity<sup>4</sup> (p.70). CSE reported a common appeal from Local Authorities and other stakeholders for "*consistent guidance explaining how carbon management at local and regional level should be aligned with national policies and programmes and how the Government expects local and regional bodies to reflect this across the whole range of strategies and practices.*"

## 2.3 Appointment of CSEP

- 2.3.1 In 2005 joint **Beacon Council Status**<sup>5</sup> for sustainable energy excellence was uniquely awarded to a consortium of 8 councils serving the communities of Cornwall and the Isles of Scilly. Beacon status is considered the highest accolade a council can achieve and was awarded in this instance to Cornwall County Council, Caradon District Council, Carrick District Council, Kerrier District Council, North Cornwall District Council, Penwith District Council, Restormel Borough Council and The Council of the Isles of Scilly.
- 2.3.2 The award recognised the achievement of all eight councils in developing the UK's first sustainable energy partnership between local authorities, other public sector organisations (including the health trusts), businesses and the third sector sector. The **Cornwall Sustainable Energy Partnership (CSEP)** was established in 2001 and has won numerous awards for a number of pioneering initiatives<sup>6</sup> that demonstrate the value of joined up working. This report is informed by the partners' experience of effective local sustainable energy partnership working.
- 2.3.3 The Partnership's activities have achieved acceptance of the relevance of sustainable energy and climate change to sectors and strategies that would not normally have considered it part of their 'core activity'. CSEP has successfully engaged with the health and community outreach sector in particular and the Partnership is now focusing its efforts on mainstreaming energy and climate change into the local and regional economic agenda.
- 2.3.4 The Beacon Council award provided funding for a year of dissemination of the councils' best practice to other Local Authorities across the UK. In 2006 additional resource was awarded to Cornwall and the Isles of Scilly from the **Beacon Council Peer Support Fund** to carry out this piece of research which was originally proposed by CSEP.

## 2.4 Audience (Departmental Responsibilities)

- 2.4.1 This report has been carried out for the benefit of four Government departments which are leading on different elements of the Government's sustainable energy agenda.
- 2.4.2 **Communities and Local Government (CLG)** is the lead department heading up this study and has funded the work through a Beacon Council Peer Support grant. CLG leads national policy on regeneration, local and regional government, housing (Decent Homes), planning, neighbourhood renewal, social inclusion and sustainable communities.
- 2.4.3 The **Department for Environment, Food and Rural Affairs (DEFRA)** leads national policy on climate change, energy efficiency, HECA, fuel poverty, sustainable development, waste and agriculture.
- 2.4.4 The **Department of Trade and Industry** leads on national policy for competitiveness, innovation, business resource efficiency and emerging sectors like renewable energy.

- 2.4.5 The **Department of Transport** (DfT) leads on transport and biofuel policy.
- 2.4.6 The findings of this report also have relevance to the **Treasury** and the new **Office of Climate Change**. Aligning policies across Government objectives and linking them to local management requires a coordinated Governmental approach. The Partnership believes it is important that this work is reported to all departments simultaneously.
- 2.4.7 The final report will also inform organisations such as the Energy Saving Trust and the Carbon Trust on the cohesive delivery of government objectives in energy sustainability and carbon reduction.

## 2.5 Geographic Coverage

- 2.5.1 This report is based on the experiences of Local Authorities working in Cornwall and the Isles of Scilly. It is, therefore, particularly relevant to policy alignment in less densely populated and peripheral areas, although many of the issues raised have a wider relevance.

## 3.0 Perceptions of Government Steer for Councils

Local Authority perspectives on:

- The clarity and coherence of the steer that councils receive from national government on sustainable energy and climate change

### 3.1 Targets and Responsibilities

- 3.1.1 There was a common feeling that the general steer given by the Government to Local Authorities is too aspirational and lacking in urgency. There is still very much a voluntary commitment from councils to support sustainable energy schemes and adopt measures to combat climate change.
- 3.1.2 Currently the main statutory responsibilities that Local Authorities have which would directly result in reduced carbon emissions are the enforcement of Building Regulations Part L (2006), HECA reporting and Decent Homes. If HECA targets are not met the worst that can be expected is an admonishing letter from DEFRA to the council's Chief Executive. If Decent Homes targets are not met the SW Housing Board has the sanction to reduce a local authority's capital housing allocation the following year. If Building Regulations are not enforced there is currently no precedent for prosecution.
- 3.1.3 Other mandatory responsibilities such as waste management targets do not currently take climate change mitigation or renewable energy targets into account and may not involve the most climate friendly treatment methods for a given situation.
- 3.1.4 The Government departments do have several national targets to meet, but few of these targets have been mandated at a local authority level and there is no direct local fiscal consequence if energy and climate change targets are not met (other than for Decent Homes). Table 1 lists some key Government targets and illustrates how responsibilities and targets are spread across several departments.

Table 1

Lead Government Department	Target
DEFRA <sup>7</sup>	<u>PSA 1</u> : To promote <b>sustainable development</b> across Government and in the UK and internationally, as measured by: the achievement of positive trends in the Government's headline indicators of sustainable development; the UK's progress towards delivering the World Summit on Sustainable Development commitments, notably in the areas of sustainable consumption and production, chemicals, biodiversity, oceans, fisheries and agriculture; and progress towards internationally agreed commitments to tackle <b>climate change</b> .
DEFRA	<u>PSA 6</u> : To enable at least 25% of <b>household waste</b> to be recycled or composted by 2005-06, with further improvement by 2008.
DEFRA	Improve <b>domestic energy</b> efficiency by 20% by 2010 compared to 2000 levels. ( <i>Housing Act 2004</i> )
DEFRA	<u>PSA 7</u> . Eliminate <b>fuel poverty</b> in vulnerable households in England by 2010 in line with the Government's Fuel Poverty Strategy
DEFRA	Reduce <b>carbon dioxide emissions</b> to 15-18% below 1990 levels by 2010 and by 60% by 2050 (see para 3.1.5 below). ( <i>UK Climate Change Programme 2006</i> )
DEFRA	<u>PSA2</u> : To reduce <b>greenhouse gas emissions</b> to 12.5% below 1990 levels in line with our Kyoto commitment and move towards a 20% reduction in carbon dioxide emissions below 1990 levels by 2010, through measures including energy efficiency and renewables. (joint <i>PSA</i> with DTI & DfT)
DEFRA	Reducing <b>carbon emissions</b> by over 12 million tonnes per year by 2010 (higher than EWP) ( <i>Energy Efficiency Action Plan 2004</i> )
DEFRA	Reduce the UK's <b>carbon emissions</b> by some 60% by around 2050, with significant progress by 2020. ( <i>DTI Energy White paper 2003</i> )
DEFRA	As far as reasonably practicable no household in Britain should be living in <b>fuel poverty</b> by 2016-18 ( <i>DTI Energy White Paper 2003</i> )
DEFRA	Statutory target to save 3.5 million tonnes of <b>carbon</b> from residential properties in England through energy efficiency measures by 2010. (Sustainable Energy Act 2003)
CLG <sup>8</sup>	<b>Decent Homes</b> : By 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in decent condition. <i>PSA target</i> . ( <i>Decent Homes Standard 2002</i> )
DTI <sup>9</sup>	<u>PSA 4</u> : To reduce <b>greenhouse gas emissions</b> to 12.5% below 1990 levels in line with our Kyoto commitment and move towards a 20% reduction in carbon dioxide emissions below 1990 levels by 2010, through measures including energy efficiency and renewables. (joint <i>PSA</i> with DEFRA & DfT)
Lead Government Department	Target

DTI	PSA 4: Eliminate <b>fuel poverty</b> in vulnerable households in England by 2010 in line with the Government's Fuel Poverty Strategy objective. Joint PSA with DEFRA.
DTI	PSA 4: Maintain the <b>reliability of energy supplies</b> .
DTI	PSA 4: Ensure the UK remains in the top three most <b>competitive energy markets</b> in the EU and G7.
DTI	PSA 11: Reduce the <b>civil nuclear liability</b> by 10% by 2010, and establish a safe, innovative and dynamic market for nuclear clean up by delivering annual 2% efficiency gains from 2006/07; and ensuring successful competitions have been completed for the management of at least 50% of UK nuclear sites by end 2008.
DTI	Renewables to supply 10% of UK electricity in 2010. ( <i>Energy White Paper 2003</i> )
DTI	To achieve 10GWe of Good Quality CHP by 2010. ( <i>DTI Energy White Paper 2003</i> )
DfT <sup>10</sup>	To reduce <b>greenhouse gas emissions</b> to 12.5% below 1990 levels in line with our Kyoto commitment and move towards a 20% reduction in carbon dioxide emissions below 1990 levels by 2010, through measures including energy efficiency and renewables. (joint PSA with DEFRA & DTI)

3.1.5 In its response to the consultation on the draft Climate Change Bill, The Tyndall Centre has estimates that the Government's current CO<sub>2</sub> reduction targets are more likely to contribute to a world 4°C or 5°C warmer than pre-industrial, than to constrain warming to no more than 2°C. Based on the UK's actual emissions between 2000 and 2006, the Tyndall centre calculate that to keep within the national carbon budget by 2050, even to achieve just a 30% chance of not exceeding the 2°C threshold agreed with Europe, requires the UK to cut its total carbon emissions by 70% by 2030 and in the region of 90% by 2050. The Tyndall Centre is calling for carbon reduction targets within the Draft Bill to be re-visited, be evidence based and be in keeping with the latest IPCC science on the subject<sup>11</sup>.

### 3.1.6 Local Area Agreements

In Cornwall Local Public Service Agreements and their replacement, Local Area Agreements have played a major role as a coordinating driver for action and have accelerated the take-up of energy efficiency and renewable energy measures far beyond expectations. LAA *stretch* outcomes have had the advantage of providing much needed resource to deliver energy and climate change policies (initially through the LAA pump-prime grant and on achievement of the target through LAA reward funding).

### 3.1.7 Comprehensive Performance Assessment

Incorporating new energy/ climate change targets into the Comprehensive Performance Assessment was one of the most frequent suggestions made, mainly because officers had observed how CPA had moved issues like waste management further up the local political agenda than energy and climate change (even though waste management only carries a weighting of 0.75% in the CPA). Restormel Borough Council for example, found the statutory recycling targets in the CPA a great deal of help in securing funding from central government. In total they received just under £3million over two years which enabled the council to increase kerbside collections from monthly to fortnightly, include plastic bottles and cardboard in the kerbside service, to introduce a separate garden waste collection service, Mini

Recycling Centres and to purchase a skip lorry to transport the collected material to the Recycling Facility.

- 3.1.8 However, 80% of CPA is weighted towards performance in education and social services. This means that good performance in areas with a lower weighting may be overshadowed by how well education and social services perform, thus strong energy/ climate change performance in the CPA may not achieve the recognition that would encourage even greater improvements and commitment of resources. This is where LAA's with fiscal rewards attached, offer a better incentive for performance improvement. A statutory sustainable energy/ climate change target in LAA's would ensure automatic inclusion in the CPA for every local authority.
- 3.1.9 Interestingly, Local Authorities seem to be strongly motivated by CPA targets despite there being no major consequence for poor performance. If a Council gets a low or falling star rating the worst they can expect is more inspections.
- 3.1.10 DEFRA is considering the merits and practicalities of introducing a statutory duty for Local Authorities to promote sustainable development<sup>12</sup>.
- 3.1.11 **Clearer steer and more widespread, consistent action would be achieved by introducing mandatory climate change and sustainable energy targets for local authorities.**
- 3.1.12 **CSEP recommends that any new targets should as a minimum correspond with one or more of the national targets, whilst allowing flexibility for Local Authorities to set higher or more specific local targets.**
- 3.1.13 **CSEP recommends that statutory targets should have a financial reward and/or penalty attached for greater incentivisation.**
- 3.1.14 Reward based mandatory targets for sustainable energy/ climate change could be introduced as statutory stretch targets in Local Area Agreements.
- 3.1.15 Part of the national strategy is for local authorities to provide local solutions to this international problem. Tackling climate change is likely to be part of the performance assessment framework for local authorities from 2008<sup>13</sup>.
- 3.2 **Leading by Example**
  - 3.2.1 There was a consensus that it is important for the Government to provide clear steer through leadership.
  - 3.2.2 Targets to increase the percentage of renewable energy and CHP in the Government estate are to be commended and if the financial savings were to be loudly and widely promoted this would send a clear message to Local Authorities to follow suit. Similar targets (with pump-priming funding) for local authority estates would provide an even stronger incentive.
  - 3.2.3 Officers perceived a need for stronger Government leadership on reducing staff travel. It was felt that the Government and regional offices hold too many events and meetings that require their own staff and local authority

officers to travel. This is a particular issue for Local Authorities based in peripheral areas like Cornwall where journeys to regional and national Government offices are longer.

3.2.4 CSEP recommends that all Government departments make greater use of video conferencing as a way of joining up local, regional and national government, whilst simultaneously avoiding carbon emissions and saving staff time and travel expenses. A PSA target for Government departments to reduce staff travel by a significant percentage would send a strong signal to Local Authorities faced with similar decisions.

### 3.3 Benchmarking

3.3.1 HECA has achieved a lot as demonstrated regularly in HECA News but HECA officers agree that it has failed as a measuring tool and a means of benchmarking Local Authority performance. They feel that *Hecamon* is fraught with statistical errors and that a more scientific calculation engine for energy efficiency is needed. It is time to review existing HECA tools and devise a more robust measuring system. Local House Condition Surveys are a more useful tool but Local Authorities need more resource to conduct surveys. In Caradon for example, it costs £60,000 each time a *Local House Condition Survey* is carried out. The *English House Condition Survey* data contains too small a sample size at the district scale to be statistically meaningful. The Census gathers some useful data and as a statutory requirement for all households could be the means by which substantial energy efficiency and fuel poverty data is collected. CSEP recommends that as part of the HECA review existing energy efficiency benchmarking tools are reviewed and a more robust measuring tool is devised.

### 3.4 Planning Policy Steer

- 3.4.1 There is a perceived lack of urgency and clarity regarding the Government's planning policy steer on energy and climate change issues.
- 3.4.2 The wording of national planning policy documents has a tendency to refer to renewable energy in aspirational terms.
- 3.4.3 CSEP's Sustainable Energy Planning Group (SEPG) submitted a response<sup>14</sup> to the CLG consultation on the proposed supplement to *PPS1 on Planning and Climate Change*. The group consists of key representatives from the planning and building Control offices of the 8 Beacon Councils in Cornwall and Isles of Scilly. Whilst in overall support of the proposed policy package, the group are concerned that Local Planning Authorities will be restricted by the PPS from setting policies that would successfully cut carbon in advance of Government policies being implemented, leaving councils little room to manoeuvre and possibly losing the opportunity to create zero-carbon developments before 2016. As it stands, the proposed policy would assist the take up of renewable energy and CHP but would restrict LPA's that want to set higher energy efficiency targets than the building regulations. Building Control officers are also concerned about the resource implications of carrying out third party checks to ensure the new requirements have been met.
- 3.4.4 There is a clear statement on page 10 of the PPS that "Where there is any difference in emphasis on climate change between the policies in this PPS

and others in the national series this is intentional and this PPS takes precedence." The consultation document also makes it clear that Planning authorities should "in considering planning applications before development plans can be updated to reflect this PPS, have regard to this PPS as a material consideration which may supersede the policies in their development plan." These are useful phrases for all new policy documents which cover any possible contradiction with earlier documents.

- 3.4.5 The CSEP Sustainable Energy Planning Group have been concerned for some time that different Authorities are interpreting the current planning regulations differently. They welcome the *Permitted Development Consultation Paper 1: Permitted Development Rights for Householder Microgeneration*. There is fundamental support for the recognition of the technologies in the GPDO and allocating them individual categories will assist with clarity and consistency<sup>15</sup>.

### 3.5 Economic Development Steer

- 3.5.1 Sustainability officers felt that the Government could give more steer to local authority economic development departments as to which *sectors* they should be seeking to work with to achieve a low carbon economy.
- 3.5.2 The national, regional and local drive for airport expansion is an example of a high carbon economic development approach. More steer could be given about research and evidence on the economic as well as the environmental impacts of airport expansion, especially in light of climate change research and particularly the Stern Review.
- 3.5.3 CSEP supports a suggestion from the Local Government Association that economic development proposals should be evaluated in terms of CO2 per unit of GDP with clear steer being given that sectors with low CO2 per unit of GDP are prioritised. This would be an ideal way to measure a Low Carbon Economy.
- 3.5.4 CLG's zero carbon development proposals in *Building A Greener Future: Towards Zero Carbon Development*<sup>16</sup> will have a significant impact on the UK renewable energy business sector, thus it is important that CLG and the DTI align their policies in this area. Initially the proposed policy will increase demand for low carbon technologies, but as new buildings (rightly) become more energy efficient the new build market for renewable heating in particular will shrink. Sector support policies will need to take into account that the longer term market for renewable heating will be in retrofit applications. This is an important area for R&D support now.
- 3.5.5 DEFRA's draft Climate Change Bill regards the EU Emissions Trading Scheme as a key way to reduce emissions, which the proposals say should be achieved at least cost - e.g. by allowing emission reductions achieved overseas but paid for by UK entities to be counted towards the targets and budgets.

### 3.6 Housing Steer

- 3.6.1 There is a perception that there is now a stronger steer for reducing carbon emissions in new developments than for improving the existing housing stock. Yet refurbishment of old energy inefficient properties (especially in off gas

areas) is vital for reducing carbon emissions, particularly as 70% of the 2050 housing stock has already been built.

### 3.7 Financial Steer

- 3.7.1 There was a consistent view that Sustainability, HECA and Building Control officers are often not sufficiently well resourced to deliver energy and climate change priorities, which because of their cross-cutting nature require a significant staff time input. Lack of resource is interpreted as 'low priority'. It reinforces the perception that the Government regards sustainability as an exemplar activity for Local Authorities to indulge in, rather than an essential public service.
- 3.7.2 The **Stern Review** concluded that in order to stabilise emissions at manageable levels, investment in climate change mitigation would require an annual cost which is equivalent to 1% of the UK's GDP. If a target investment of 1% GDP was transferred to a local level, it could then be reduced or offset by a successful reduction in CO2/GDP almost in a cap and trade mechanism, or perhaps more simply a target CO2/GDP could be set without stipulating the level of investment needed to achieve it.  
**CSEP recommends that the Treasury transfers the Stern Review findings to a local level, by clarifying to Local Authorities how much investment is needed now to achieve carbon reduction targets and what the cost will be if no investment is forthcoming.**
- 3.7.3 Many officers felt that if a new **mandatory climate change target** was introduced (e.g. through the CPA process), this would encourage their authority to invest in staffing to deliver the target.
- 3.7.4 **Performance Reward funding** has been the major (but not the only) motivating factor for **LPSA and LAA** delivery. LPSA Performance Reward Grants (PRG) are awarded to the leading local authority with 'no strings attached'. Even if the reward was 'earned' by an external delivery partnership there is no guarantee that they will benefit from the reward because it is paid to the local authority/ies that led the target, to spend as they will. In Cornwall, £8,532,198 worth of 2003-2006 LPSA performance reward will shortly be paid direct to Cornwall County Council for successful achievement of 10 out of 12 stretching LPSA targets. Cornwall County Council has agreed that its share of reward grant will be redistributed to the delivery partnerships. Funding Agreements and project Initiation Documents with the delivery partnerships ensure the grant is spent in the same area of work. This has enabled CSEP and the district councils to continue the roll out of the Home Health fuel poverty programme that earned the reward for LPSA Target 8 (Energy Deprivation) and also to pump-prime delivery of Cornwall's new 2006-2009 LAA microgeneration stretch targets (which if achieved will earn a further £1m reward for further energy work from 2009). We are fortunate that such a progressive attitude was taken in Cornwall, but it should be the norm, not best practice.
- 3.7.5 **CSEP recommends that CLG should introduce mandatory energy and climate change stretch targets into Local Area Agreements with a stipulation that Local Authorities must re-invest any reward money achieved from energy LAA stretch targets back into the same area of activity in which the performance improvement was made.**

- 3.7.6 EEC match also presents Local Authorities with the opportunity to create a revolving fund for continuation of energy efficiency work. In Cornwall, Carrick District Council has been re-investing EEC match in further domestic energy efficiency work (delivered by CEP) for several years and Restormel Borough Council has now set up a revolving energy fund to do likewise. Private sector income like this is very attractive as a match for public sector funding programmes and can be used to draw in even greater resource.
- 3.7.7 Local Authorities could similarly reinvest financial savings arising from in-house energy efficiency work and reduced mileage/ travel claims on making further in-house energy efficiency improvements.
- 3.7.8 CSEP recommends that the Government explores ways of ensuring that money Local Authorities earn or save through sustainable energy activities is reinvested back into further sustainable energy work. This reinvestment approach should move from best practice to standard practice.
- 3.7.9 CSEP recommends that the TREASURY produces guidance to Local Authorities advising them of the opportunities that already exist to maximise resources for local delivery of sustainable energy and climate change policies.
- 3.7.10 For Building Control Officers the resource issue is more about the availability of the expertise in the market place. Regulations were introduced that could not be understood, supported or delivered by the private sector. Building Control faced similar problems but for them it was more to do with the timeframe of implementation and little opportunity to train and understand the issues. For example: key ingredients of the new Part L regulations required SAP 2005 that was not available at implementation, neither were Air Testers, Accredited Details, Competent Persons for Independent Verification, etc. One year later many problems remain.
- 3.8 Transport Steer
- 3.8.1 Local Transport Plan Guidance - there is a great *expectation* on Local Authorities to incorporate climate change in LTP's but a lack of *direction* or *clarity* on how to deliver this within LTP rules. It is good that LA's are being given the freedom to come up with their own ideas, but additional steer and criteria from DfT would be helpful.
- 3.8.2 PPS 1 Planning & Climate Change - Transport is conspicuous by its absence. This is a key spatial planning issue. Transport and planning policies need to be more joined up. CSEP recommends that CLG includes a statement on the role of spatial planning in reducing transport emissions in the PPS and considers this in other planning policy/ guidance.
- 3.8.3 Biofuels - the UK taxes biofuels (especially bioethanol) while other countries don't. Transport officers requested that the Government considers reducing tax on biofuels. Biofuel procurement policies should take the environmental impacts into account to identify the least damaging sources and suppliers. CSEP recommends that DFT & DEFRA & HM Treasury should join up on biofuels policy & taxation.

- 3.8.4 **Four shared priorities - Air quality, Accessibility, Safety & Congestion.** Cornwall County Council has added Environment to this. CSEP recommends that DfT makes 'Environment' a 5<sup>th</sup> shared priority.
- 3.8.5 **Railways - Local Authorities have limited powers to improve rail infrastructure and operation.** Cornwall County Council (and partners) has invested money in rail schemes (e.g. the Riviera project), but this has not occurred elsewhere in the UK because the steer isn't there. The *Regional Funding Mechanism* changed recently - the South West Regional Assembly interpreted the criteria to mean that rail was excluded, but there was an explicit statement to the effect that it was included which became lost because of the size of the document. There is concern about the small regional budget of only £84m over ten years. If this went on the Stonehenge bypass it would leave little for other projects in the region. The size of the south west region complicates transport policy and spreads the funding too thin. The Government's rail policies seem overly urban centric to local authorities in rural areas. Commuters and travel to London appear to be the priority, while the rest of the network is being neglected. **Local Authorities request greater steer from the Government on what it wants to do to encourage greater use of the rail network and what specifically it wants local authorities to do.**
- 3.8.6 **Bus services - There are very clear drivers through the Transport Act, White Paper etc on how we should reduce the need for travel and travel by more sustainable means. It is difficult for local government to influence public transport. The policy steer is there but not the means to deliver it. For instance, Cornwall County Council subsidises local bus services but has a limited influence on them. This is another example of the urban-rural policy conflict. There is a greater critical mass in urban areas to make bus services profitable. Rural areas will never have as good a network as they need, meaning car use will still be required. This is a social exclusion issue as well, which calls for coordination between DfT and CLG. CSEP recommends that the DfT reviews the present arrangements for the role and influence of local authorities in improving bus services. CLG and DfT to work together on ensuring social exclusion in rural areas is considered in transport policy.**
- 3.8.7 **ICT & homeworking - Has any research been carried out to weigh up whether the transport related CO2 savings achieved from increasing home-working would be greater than the increased domestic energy use that would result (e.g. by staff having heating on more often at home). Cornwall County Council is encouraging home-working but has encountered certain wider issues that need to be considered in this policy area such as health & safety and supervision concerns. CSEP recommends that Government ICT policies are reviewed and put through a climate change impacts assessment.**
- 3.8.8 **Funding levels don't reflect the priority - Transport officers welcome the Local Transport Plan. It has led to a better capital funding mechanism and improved the ability of local authorities to include climate change mitigation and stakeholder involvement. There is still, however, a need for better revenue funding (e.g. for bus subsidies, staff resource for travel plans, training businesses, awareness raising etc.).**

## 4.0 Examples of non-alignment: contradictions and confusion

Local Authority perspectives on:

- The main areas of contradiction and confusion in the policy steer that councils receive from national government

### 4.1 Leadership

4.1.1 The most frequent comment received was that key energy and climate change policies are spread across several departments. Whilst it is appreciated that these are cross-cutting issues of relevance to the work of every department, this hydra-like approach to leadership is a demanding way to coordinate delivery. It complicates communications and increases the risk of non-alignment.

4.1.2 **The remit of the new Office of Climate Change<sup>17</sup> should include leadership and cross-departmental coordination of climate change policy.**

4.1.3 Officers for whom sustainable energy and climate change issues do not comprise their core work find it difficult to keep up with continually evolving policies on this cross-cutting issue. This is partly a resource issue, but also demonstrates how the cross-departmental coverage of energy and climate change policies is prompting a proliferation of policy documents and reports that are overwhelming the public sector. It also increases the risk of duplication of effort and policy contradictions. The Local Authority officers we spoke to wished that there was just one all-encompassing policy to consult!

4.1.4 **CSEP recommends that the Government explores the potential to replace existing energy, climate change, environmental and sustainability strategies with one all encompassing strategy or handbook that clearly sets out what the expected roles and targets are for local authorities. Compilation of relevant strategies and policies into a single handbook could be an immediate task for the OCC to deliver.**

### 4.2 Procurement Policies

4.2.1 Sustainability officers have encountered a lack of inter-departmental alignment at national, regional and local levels on the issue of **consultancy procurement**. Every year a vast number of reports and strategies are commissioned that could lead to negative impacts on climate change. For example strategies and policies relating to aviation and transport are often in conflict with those for climate change mitigation. This situation arises because the cross-cutting nature of sustainable energy and climate change is not being fully addressed across all departments.

4.2.2 This issue was acknowledged in the 2005 *UK Government Sustainable Development Strategy*<sup>18</sup> which promises: *“The Government will ensure that an understanding of how to apply sustainable development principles is a key part of policy skills for the future and that all policies are properly appraised against the new principles of sustainable development.”* This is a positive step but the continuing problem with policy contradictions indicates

that sustainable development appraisals are either not reaching all policy areas or have not been fully implemented yet.

4.2.3 **CSEP recommends that the Government introduces a requirement for all types of strategy and policy development and every public sector consultancy brief to pass a Climate Change Impact Assessment.**

4.2.4 Capital-revenue rules and the short term nature of local authority **financial planning** does not encourage the commissioning of work on a whole life cost or long term basis. For example, biodiesel isn't best value now but if a long term contract is secured now it will become best value as fuel prices rise. This also affects the commissioning of new schools. Whilst HM Treasury Guidance on investment decisions shows that *the policy is now to take account of whole life cycle costs, both capital and operational, and non market factors such as delivering environmental benefit*, local authority officers involved in the procurement of building work still perceive there to be a problem.

4.2.5 One example given is that the Government only provides Local Authorities with the minimum funding necessary to design and build new schools. Because the running of schools is devolved to the school itself, there is then no financial incentive for Local Authorities to consider whole life costs when funding new builds. Consequently, schools are handed over new buildings that may not have the most low carbon or cost-effective energy design and systems. In off gas areas the cost of LPG or oil heating is proving a heavy burden for many schools and other public sector buildings. If Local Authorities directly benefited from reduced running costs this would provide greater incentive to minimise the energy use of new schools at the design and procurement stage.

4.2.6 Local Authorities are directed to go through a **large consortium purchasing process** which is not compatible with local sourcing. Local authority procurement rules also tend to exclude emerging sectors which undermines the DTI's attempts to nurture the microgeneration sector. For instance, newly established renewable energy businesses may not have the long financial history required for inclusion on preferred suppliers' lists.

4.2.7 The Government is driving Local Authorities to make schools more sustainable whilst the DfES is providing schools with computers that are left on all the time. School energy use has gone up as a result. **The Government's ICT and energy efficiency policies need to be aligned.**

### 4.3 **Housing**

4.3.1 The **Decent Homes Standard** is straightforward but hard to apply. Housing and HECA officers are finding it particularly difficult to assess the impact of Decent Homes in the private sector. In Cornwall, Local Authorities offer private households housing renewal loans and insulation grants through the Home Health project which provides partial data for Decent Homes reporting, but there are still many homes for which no data is available. They find private sector landlords to be the hardest audience to reach.

## 4.4 Planning

- 4.4.1 There are a large number of Planning Policy Guidance documents many of which contradict or duplicate guidance on energy and climate change issues.
- 4.4.2 For instance, guidance on the need for planning permission for solar panels is buried in the lengthy 186 page, **Planning for Renewable Energy : A Companion Guide to PPS 22 (2004)** which says that *" In some cases, provided the installation is not of an unusual design, or involves a listed building, and is not in a designated area, PV is regarded as 'permitted development' and is thus deemed not to require a planning application. Unless the panels are of an unusual design, they should be treated as being within the plane of the existing roof slope for the purposes of Part 1, Class B1(b) of the Town and Country Planning (General Permitted Development) Order 1995. "* The same guidance applies to solar thermal. PPS22 itself says nothing about permitted development for solar and the current GPDO taken in isolation is open to interpretation. The use of inconclusive wording like 'in some cases' and 'unusual design' still leaves the issue open to interpretation. This has led to inconsistent treatment of domestic solar enquiries across the UK, which is a costly disadvantage to both the applicant and the sector, as well as adding to the workload of planning teams.
- 4.4.3 Sustainability officers suggested that CLG revises **PPS1 Sustainable Communities** to incorporate and replace other PPS's that duplicate or contradict PPS1.
- 4.4.4 Sustainability Officers felt that **Conservation Areas** can sometimes cover too broad an area, restricting the use of micro-renewables, external insulation/cladding and double glazing in parts of Conservation Areas that are not visually sensitive. Planning officers, however, did not feel that conservation areas are too restrictive.  
**CSEP recommends that a review is carried out to determine what the sensitive buildings in conservation areas are and clear guidance is given on circumstances when permitted development may be granted for micro-renewables on non visually sensitive buildings in conservation areas.**

## 4.5 Building Control

- 4.5.1 Building Control officers consider themselves more involved with the output of Government policies rather than the input. They are aware of a general indication by Planning Departments and the CSEP Sustainable Energy Planning Group to consider target requirements through the Planning Process, and as they are part of that group then they do not envisage issues of conflict.
- 4.5.2 Building Control Officers find the actual enforcement of **Part L 2006** virtually impossible due to the many grey areas surrounding interpretation and time limit guidance that appears to contradict the Statute.

## 4.6 Transport

- 4.6.1 There is a Europe-wide problem that national (and regional) policy tends to be based on urban models that are inappropriate for rural areas. For instance current road pricing proposals don't penalise the *type* of car used, but they will negatively affect rural car users who are less able to pay and have fewer options available.

- 4.6.2 **CSEP recommends that Government policies are separated into urban and rural policies to make them more relevant and deliverable in the communities they affect.**
- 4.6.3 **Inter-departmental communication:** Government departments have given conflicting advice and steer to local authorities, giving the impression that inter-departmental communications are weak. One example (from 3-4yrs ago) was that ODPM advised 'Excellent' authorities they didn't have to produce documentation while DfT told them they had a statutory duty to do so. This caused great confusion at the time. A more recent example raised by Cornwall County Council Members is that of free car parking in supermarkets undermining town centre sustainable transport strategies. CSEP's local authority partners asked: **What mechanisms are in place to ensure the flow of communications between departments?**
- 4.6.4 **Parental choice for schools** - This policy conflicts with the 'drive' to increase the sustainability of school travel (Local Transport Act 2000). This a policy alignment issue for DfT and DoE to explore.
- 4.6.5 **Health authorities centralising services** - This policy conflicts with the need to reduce travel and also has social impacts. This is a policy alignment issue for DoH, DfT and CLG to explore.
- 4.6.6 **Sustainable Transport Awareness** - Government steer means local authorities are having focus more on things they can measure the impacts of. This is good but general awareness is still important and is being neglected because it is difficult to measure. There was a request for national awareness raising campaigns (like the road safety campaigns). DfT could work with EST on this.
- 4.6.7 **Climate Change Bill** - The initial perception is that there is not enough in the Bill about transferring policy to action.
- 4.6.8 **Airports** - Gordon Brown announced increased taxes for air travellers in his pre- budget speech in December 2006. This prompted public skepticism that climate change is being used as an excuse for the Government to raise taxes and is not helping efforts to engage with the public on energy and climate change. If taxes were visibly spent on climate change mitigation this would send out a message that the Government is taking climate change seriously and not using it as a taxation tool. There was a suggestion from Cornwall's Beacon Council Officers group that money gained from increased taxation on air travellers should be reinvested back into carbon saving measures in the council areas where the departure airports are located. These could be sustainable energy measures like energy efficiency, renewable energy and public transport improvements. This could be like the Landfill Tax model but without the red tape. **CSEP recommends that HM Treasury and DfT consider ring-fencing of air taxes to achieve actual carbon savings.**
- 4.6.9 **Benchmarking** with other local authorities is needed. Currently local authorities only end up speaking to exemplar authorities. Cornwall County Council will be working with the DfT to become a *Centre of Excellence for Transport Delivery* and is putting an action plan together.
- 4.6.10 **Concessionary fares** - Local authorities are waiting to see how this will work. District councils are concerned that when the nationwide scheme comes into place in 2008, financing will be a challenge for local authorities in tourist areas. Tourists will use their concessionary fares passes for which the local authority will have to pay, but there is no more weighting in the government subsidy to cover this (the subsidy is based on a local authority's elderly population). Cornwall gets five million extra visitors each year, hence the concern. Local Authorities have a policy steer for them to encourage tourists to use public transport whilst the new nationwide concessionary

fares scheme will mean increased costs if they do so. CSEP recommends that DfT and HM Treasury coordinate on the criteria for setting local authority subsidy limits for the concessionary fares scheme that will not disadvantage local authorities with large tourist populations.

## 4.7 Waste

4.7.1 Waste responsibilities and impacts are spread across four departments:

- DEFRA - sets targets for waste management
- DTI - is responsible for industry led approaches - e.g. end of life vehicle directive
- CLG - sets planning policy
- HM Treasury - has a PFI supported waste management programme

4.7.2 Spreading responsibility for waste management across several departments increases the risk of non-alignment of policies.

4.7.3 Currently, Local Authorities only have a mandatory responsibility for managing **municipal solid waste (MSW)**. Other waste streams like food waste and commercial and industrial waste are handled separately by the private sector. The private sector tends to operate on a more short term basis (up to 5 years), whilst local authority PFI contracts for waste management need a 25-30 year contract to be viable. Local authority energy from waste plant would be more financially viable if a wider range of waste could be treated.

4.7.4 **CSEP recommends that the Government should consider giving Local Authorities powers and responsibilities to manage a wider range of waste.** This would lead to more joined up, cost-effective waste management and strengthen policy alignment *within* DEFRA.

4.7.5 Local Authorities have five mandatory targets for waste management. The indicators are:

- Amount of MSW recycled (CPA)
- Amount of MSW composted (CPA)
- Cost of disposal/ collection of MSW per head of population (BVPI)
- Amount of MSW sent to landfill (BVPI)
- Amount of MSW by head of population (BVPI) - in Cornwall this is distorted by the tourist economy.

4.7.6 Reducing the amount of waste that goes to landfill may not be the most sustainable route to take. It depends on where and how waste is recycled (including transportation method and distance). Waste targets need to be updated to reflect the waste management options available in different local authority areas. The BVPI for waste could be revised so that it is based on type of waste rather than weight.

4.7.7 Government guidance focuses strongly on reducing carbon dioxide emissions. There is currently no clear guidance covering other pollutants like **Methane** (which has 21 times the potency of carbon dioxide as a greenhouse gas), Sulphur Dioxide and acid gases.

- 4.7.8 The change allowing **anaerobic digestion** to contribute towards composting targets in Local Authority Best Value Performance Standards is a step in the right direction<sup>19</sup>.
- 4.7.9 Local energy from waste plant present an opportunity to simultaneously assist DEFRA and DTI with alignment of waste, rural diversification and renewable energy targets and policies.
- 4.7.10 **CSEP recommends that DEFRA's guidance and targets for waste management are reviewed to take the climate change impacts (including methane emissions) into account and to identify opportunities for Government departments to deliver joint targets.**
- 4.7.11 Officers felt that the **Landfill Tax** gives out the wrong message that waste is a problem rather than a resource. **Instead of taxing landfill, the TREASURY could send a clear signal to the production end by taxing raw materials that are not sustainable.**
- 4.7.12 There are currently too many disincentives to using **waste wood** for products and energy. As a result waste wood is being burnt in some areas, which is undermining the Government's efforts to reduce carbon emissions and promote greater deployment of bioenergy.

## 5.0 Working with government departments and agencies

Local Authority perspectives on the ease with which councils are able to work with government departments and agencies.

- 5.1.1 CLG has supported an **Environmental Management System (EMS) Network** in England which has been very useful in terms of benchmarking with other Local Authorities and getting best practice advice. Restormel Borough Council has now appointed Kirklees MC to help gain EMAS accreditation by 2008. Restormel regards EMAS as a key tool to help monitor the council's corporate performance towards Climate Change.
- 5.1.2 **CSEP recommends that standard climate change performance indicators are introduced so that councils can benchmark against each other.**
- 5.1.3 Restormel Borough Council found the support given by *Penwith District Council* (through the *Beacon Councils* scheme), **EST, SWCCIP, UKCIP and Forum for the Future** very useful for the writing and delivery of the council's Climate Change Strategy and Action Plan.
- 5.1.4 Planning officers reported good communication between Cornwall's Local Authorities and the **Government Office of the South West (GOSW)** on planning, but less so on climate change. Transport officers felt that GOSW is good at top down communications, but less so at taking the views of local authorities on board.
- 5.1.5 Development Control officers reported *good* links with the **South West Regional Development Agency (SWRDA)** and GOSW, particularly in areas where regeneration programmes were underway.

- 5.1.6 Housing officers reported good communication with GOSW and the DTI, but felt that communications with DEFRA could be strengthened.
- 5.1.7 HECA officers find some of the data requested on HECA forms difficult to obtain, especially where Local Authorities have transferred their housing stock. Estimating the number of DIY insulation measures installed by householders is considered another impossible task. Information on costs is also difficult to obtain. Government criticism about incomplete HECA forms is not backed up by an effective technical support structure to advise Local Authorities on ways of accessing the data required.
- 5.1.8 **Building Control** officers reported that when confusion arises from Regulatory content, this is usually taken up by their representative bodies (LABC, RICS, etc). Advice and clarification is a slow process with little expectation on their part which leads to frustration within the industry.
- 5.1.9 Transport officers reported a good relationship with DfT - it has been a positive experience for them. They also have a good relationship with the **Highways Agency** and communications are good. **DfT Rail** is a relatively new body (replacing the Strategic Rail Authority) and officers look forward to building a strong relationship with DfT Rail. A recent reorganisation of **Network Rail** led to noticeable improvements in the dialogue between Network Rail and Cornwall County Council. The improvement is due to Network Rail staff having more responsibility for specific local authority areas. They now support the Cornwall Rail Forum and have good engagement on the St Austell & Truro to Falmouth schemes.

## 6.0 Accessing national agencies and grant schemes

Local Authority perspectives on the main areas of duplication, confusion and complexity in terms of accessing national agencies and grant schemes:

### 6.1 Number of Agencies and Grant Schemes

- 6.1.1 Local Authorities held a common view that there are too many different agencies offering energy related grant schemes and support services (e.g. EST/ BRE/ Carbon Trust/ Eaga/ utilities/ IDEA). We will explore this issue in more depth in Part two of the report.
- 6.1.2 Housing officers feel that there is strong steer on delivery of energy efficiency and fuel poverty policies but a lack of steer on where to obtain funding from. For example there are five separate schemes for cavity wall insulation running in Restormel, with funding coming from five different sources with different eligibility and reporting requirements. This complicates the communication of grant scheme availability to the public. One stop shops are needed, but at a local not a regional level.
- 6.1.3 **CSEP recommends that the Government streamlines funding schemes and offers just one county-level pot and one agency for Local Authorities to approach.** The most efficient way to do this would be to appoint existing local energy agencies to run grant schemes for Local Authorities in their service area. This would avoid re-inventing the wheel and make the most of the local and specialist knowledge already built up by these agencies.

## 6.2 Regional Funding

- 6.2.1 There is a lack of enthusiasm amongst Cornwall's Local Authorities for regional management of funding programmes. There is a conviction that the rural areas, smaller towns and villages of Cornwall and the Isles of Scilly miss out because regional funding is focused on the big cities and principal urban areas.
- 6.2.2 The South West region is too large for regional Government and agencies to cover evenly. They inevitably favour the areas closest to their centre of operations for regional events and activities. Whilst this reduces travel times for regional staff, it puts the greater burden of travel onto the under resourced Local Authorities in the more peripheral areas like Cornwall and the Isles of Scilly.
- 6.2.3 There is concern that money collected for the PGS roof tax on buildings is likely to go to regional and central government, with no clarity about how it will get delivered on the ground. Counties will get the development but not the offset.
- 6.2.4 **CSEP recommends that funding for energy/ climate change work is managed more locally - i.e. at a county or district level.**

## 6.3 Eaga

- 6.3.1 We encountered continuing dissatisfaction with Eaga's management of the 'Warm Front' grant scheme. There is particular concern about the cost-effectiveness of Warm Front and the ethics of Local Authorities providing top up grants to cover what are viewed as excessive installer prices. Those Local Authorities that are paying top up grants feel they are not getting best value for their precious resources, whilst those that refuse to top up Warm Front grants are left in the uncomfortable position that vulnerable households are going without help. Caradon District Council for instance, has been quoted £3500 to install a gas boiler when they would normally pay £1350 for the same job. There is a view that the technical contracts for price scheduling are faulty.

## 6.4 Carbon Trust

- 6.4.1 The Carbon Trust Toolkit requires more officer time than the smaller under-resourced Local Authorities can commit.
- 6.4.2 The Carbon Trust and Envirowise duplicate effort, but carry out similar roles differently.

## 6.5 National Energy Action

- 6.5 NEA's involvement in action/ warm zones duplicates what other agencies like Energy Efficiency Advice Centres are already doing. Councils requested again that every county has a central one stop shop to coordinate all energy and climate change actions and initiatives. This would make better use of limited funding and give best value. If NEA concentrated on policy there would be no overlap.

## 6.6 Local Energy Agencies

- 6.6.1 There is strong support from Local Authorities for energy and climate change advice and support services to be provided at a local (county) level. Officers who do not have energy or climate change as their core responsibility, appreciate having a local knowledge resource like CSEP to tap into. Knowledge of local issues, local geography and local politics is especially valued. In Cornwall CSEP has proved to be an effective mechanism for increasing the alignment of national and local policies.
- 6.6.2 Appreciation was also expressed for the free impartial advice service offered to householders by Cornwall Energy Efficiency Advice Centre. Local Authority housing teams like the fact that they can refer clients to the EEAC with confidence that they will receive personally tailored advice on the grant schemes that are best value for them.

## 7 Conclusions and initial recommendations

### 7.1 Key Issues

- 7.1.1 Our Local Authority partners perceived a number of opportunities for the enhanced alignment of national and local energy policies.
- 7.1.2 The main conclusion that came out of this consultation is that there is a *perceived* lack of Government leadership, commitment and urgency on energy and climate change issues.
- 7.1.3 The comments made about the cross-departmental spread of responsibilities springs from the positive experience of the Local Authorities in Cornwall and the Isles of Scilly of cross-sector partnership working through CSEP, which has led to cohesive delivery of joint objectives. We feel that this cohesive delivery approach is not yet reflected in the national approach to energy policy, strategy and delivery. The CSEP office acts as the central hub (leader and intermediary) from which partnership initiatives are linked up and coordinated. We suggest the Office of Climate Change could play a similar role in leading joined-up cross-departmental policy development and delivery. An alternative would be for one department to have overall responsibility for energy and climate change policy. In the latter case there would still be a need for cross-departmental coordination to ensure other non energy/ climate change specific policies (e.g. ICT, aviation) are aligned.
- 7.1.4 We observed that some of the comments made do not reflect recent Government decisions and policy changes. In some cases this may be because it is taking a long time for those decisions/ changes to filter down to a local delivery level (reinforcing the perception of a lack of urgency). In other cases it demonstrates just how overwhelmed Local Authorities are by the volume and constantly evolving nature of energy and climate change policies.
- 7.1.5 The main areas of non-alignment, confusion and complication identified by our Local Authority partners are summarised here:

### 7.1.6 Leadership

More than one Government department is responsible for different aspects of energy and climate change policy.  
Too many meetings requiring staff to travel.

### 7.1.7 Motivation

The lack of local statutory targets with a motivational performance related reward or penalty.  
A lack of robust methodology for bench-marking against other local authorities.

### 7.1.8 Resource

Lack of resource for officer time and delivery mechanisms.  
Local Authorities feel tied to a short term financial planning approach which does not take whole life cost or climate impacts into account.

### 7.1.9 Local Relevance

The need to have separate policies for urban and rural areas.  
The need for a one-stop local authority advice, funding and support service in each county.  
The need to balance policy alignment with the need for local flexibility.

### 7.1.10 Multiple Policies and Mechanisms

The rapid pace of policy change and the large volume of reports published.  
Climate impacts of wider policies are not assessed (e.g. ICT, transport).  
Planning guidance can sometimes be contradictory or not specific enough about renewable energy.  
Too many funding schemes.  
Too many agencies.

## 7.2 Initial recommendations

7.2.1 The following table summarises the initial recommendations that arose from consultation with our local authority partners. One of the key comments made is that greater alignment, efficiency and leadership could be achieved if one department was responsible for leadership and coordination of policies. It is our understanding that the new Office of Climate Change (OCC) is already being positioned to fulfil this role. All of the recommendations below could be lead by the OCC. In the right hand column we indicate the departments they would need to liaise with on each recommendation.

Recommendations	Govt. Dept/s
<b>1. Rationalise Leadership</b> The new Office of Climate Change should lead to a significant improvement on leadership and coordination of policies.	All
<b>2. Introduce new LA Targets and Indicators</b> Introduce mandatory climate change and sustainable energy targets for local authorities.  New targets should as a minimum correspond with one or more of the national targets, whilst allowing flexibility for Local Authorities to set higher or more specific local targets.	All  All

<p>Statutory targets should have a financial reward and/or penalty attached.</p> <p>Introduce mandatory energy and climate change stretch targets into Local Area Agreements with a stipulation that Local Authorities must re-invest reward money achieved from energy LAA stretch targets back into the same area of activity in which the performance improvement was made.</p> <p>Introduce standard climate change performance indicators so that councils can benchmark against each other.</p> <p>CSEP recommends that as part of the HECA review existing energy efficiency benchmarking tools are reviewed and a more robust measuring tool is devised.</p>	<p>HM Treasury</p> <p>CLG</p> <p>All</p> <p>DEFRA</p>
<b>Recommendations</b>	<b>Govt. Dept/s</b>
<p><b>3. Encourage LA's to allocate more resource</b> Transfer the Stern Review findings to a local level, by clarifying to Local Authorities how much investment is needed now to achieve carbon reduction targets and what the cost will be if no investment is forthcoming.</p> <p>Explore ways of ensuring that any money Local Authorities earn or save through sustainable energy activities is reinvested back into further sustainable energy work.</p> <p>Produce guidance to Local Authorities advising them of the opportunities that already exist to maximise resources for local delivery of sustainable energy and climate change policies.</p>	<p>HM Treasury</p> <p>HM Treasury</p> <p>HM Treasury</p>
<p><b>4. Rationalise Relevant Strategies</b> Replace existing energy, climate change, environmental and sustainability strategies, legislation and guidance with one all encompassing strategy or a handbook that clearly sets out what the expected roles and targets are for local authorities.</p> <p>Conduct a review to determine what the sensitive buildings in conservation areas are and give clear guidance on circumstances when permitted development may be granted for micro-renewables on non visually sensitive buildings in conservation areas.</p>	<p>CLG DEFRA DTI DfT HM Treasury</p> <p>CLG</p>
<p><b>5. Align waste policies</b> Give Local Authorities powers and responsibilities to manage a wider range of waste.</p> <p>Review DEFRA's guidance and targets for waste management to take the climate change impacts into account and to identify opportunities for Government departments to deliver joint targets - e.g. through local energy from waste facilities.</p>	<p>DEFRA</p> <p>DEFRA DTI</p>

Instead of taxing landfill, send a clear signal to the production end by taxing raw materials that are not sustainable.	HM Treasury
<p><b>6. Align all strategies, policies and plans</b> Introduce a requirement for all types of strategy, policy development and public sector consultancy brief to pass a Climate Change Impact Assessment. ICT and home-working policies should be reviewed and put through a climate change impacts assessment as soon as possible.</p> <p>Review and update all policies to incorporate separate urban and rural policies.</p>	<p>All</p> <p>All</p>
<p><b>7. Rationalise Funding</b> Streamline funding schemes and offer just one county-level pot and one agency for Local Authorities to approach.</p> <p>Ring-fence carbon taxes to achieve actual carbon savings.</p>	<p>HM Treasury</p> <p>HMT DfT</p>
<b>Recommendations</b>	<b>Govt. Dept/s</b>
<p><b>8. Reduce Staff Travel</b> Government departments to make greater use of video conferencing as a way of joining up local, regional and national government.</p> <p>A PSA target for Government departments to reduce travel by a significant percentage would send a strong signal to Local Authorities faced with similar decisions.</p>	<p>All</p> <p>All</p>
<p><b>9. Steer Economic Development</b> Advise LA's that economic development proposals should be evaluated in terms of CO2 per unit of GDP, with clear steer being given that sectors with low CO2 per unit of GDP are prioritised.</p>	DTI DEFRA
<p><b>10. Align Transport and Spatial Planning Policies</b></p> <p>Includes a statement on the role of spatial planning in reducing transport emissions in the PPS on Planning and Climate Change and consider this in other planning policy/ guidance.</p>	CLG DfT
<p><b>11. Align transport, biomass, climate change and taxation policies</b></p> <p>For example by reducing VAT on biofuels.</p>	DfT DEFRA HM Treasury
<p><b>12. Provide guidance on the role of LA's in encouraging greater use of public transport</b></p> <p>Provide guidance on ways LA's can encourage greater use of the rail network (especially in rural areas).</p> <p>Review the present arrangements for the role and</p>	<p>DfT</p> <p>DfT</p> <p>DfT</p>

<p>influence of LA's in improving bus services.</p> <p>Departments to work together on that ensuring social exclusion in rural areas is considered in transport policy.</p> <p>Coordinate on the criteria for setting local authority subsidy limits for the concessionary fares scheme that will not disadvantage local authorities with large tourist populations.</p>	<p>DfT CLG</p> <p>DfT HMT</p>
<p><b>13. Align education and climate change policies</b></p> <p>For example - improve compatability of the policy for Parental choice for schools with the need to reduce journeys and carbon emissions.</p>	<p>DfT Dept of Education</p>
<p><b>14. Align Health and Climate change policies</b></p> <p>Centralising health services conflicts with the need to reduce travel and also has social impacts.</p> <p>The drive for modular building reduces the opportunity for future-retrofit of renewable energy technologies.</p>	<p>DoH, DfT CLG</p>

7.2.2 These initial findings will now be discussed with the lead Government departments involved and recommendations, including quick win' actions, will follow in part two of this report.

## 8.0 Aligning Policy Part 2: synopsis of planned research

8.1.1 The ongoing development of this report will be presented at intervals to a joint meeting of officials of the four government departments affected - ODPM, DEFRA, DTI and DfT (plus perhaps on occasion the Department of Health and the Treasury).

8.1.2 The second report will be considered as the main report. It will 'feed' from the first report but will concentrate on some practical 'quick win\*' areas where alignment between national, regional and local level could be improved. It will focus on 'areas which best take advantage of Cornwall's skill set and experience\*'. This work will form the 'bulk and core of the report\*'

8.1.3 The second report will cover primarily:

- What can be gained in competitiveness and practicality by integrating sustainable energy and regeneration?
- To what extent can regional, sub-regional partnerships improve the co-ordination between Local Authorities?
- To what extent does local action help the UK achieve better access to resources at EU level?
- How can Government departments better integrate biomass development and rural economic development areas?

- 8.1.4 There may be other areas which can be covered in the second report. These can be agreed once the first report has been considered by the departmental leads.
- 8.1.5 A key element of this work will be to demonstrate the cost-effectiveness of combining programmes such as the Government objectives of community regeneration and sustainable energy programmes utilising energy efficiency and energy generation.

## **Appendix A: Stakeholders consulted for input to this study**

CLG	Chloe Meacher	(Departmental lead for this report)
DEFRA	Tyrone Homes	(Departmental lead for this report)
DTI	Peter Brunt	(Departmental lead for this report)
DfT	Eirik Pitkethly	(Departmental lead for this report)
DfT	Jenny Laber	

**Caradon District Council**  
Dave Barnett (HECA/ Housing)

**Cornwall County Council**  
Adrian Welsh - Transport policy  
Hannah Harris - Transport policy  
Anthony Weight - Sustainability Officer  
Dave Owens - Waste Manager  
Rob Gould - CPA

**Cornwall Local Authority Building Control Group**

**Council of the Isles of Scilly**  
Sean Parsons

**CSEP Beacon Council Officers Group**

**CSEP Energy in Buildings Group**

**CSEP Sustainable Energy Planning Group**

**Kerrier District Council**  
Sean Oates

**Local Government Association**  
Sarah Coe

**North Cornwall District Council**  
Corine Dyke (Forward Planning)  
Gilly Hooper (Housing)  
Martyn Flew (Head of Facilities Management)

**Penwith District Council**  
Karen Clowes - Sustainability Officer

**Restormel Borough Council**  
Veryan Jones, Sustainability Officer

## References and Notes

<sup>1</sup> [Strong and Prosperous Communities - The Local Government White Paper.](#)

<sup>2</sup> [Planning Policy Statement: Planning and Climate Change](#) (Dec 2006), CLG

<sup>3</sup> [Delivering Sustainable Development](#) (2005)

<sup>4</sup> *Local and Regional Action to Cut Carbon: An appraisal of the scope for further CO2 emission reductions from local and regional activity.* Report to DEFRA for the UK Climate Change Programme Review. Centre for Sustainable Energy with Impetus Consulting, Quantock energy and environment. (July 2005)

<sup>5</sup> See the CSEP Beacon Council web page for more information:  
<http://www.csep.co.uk/page84g.html>

<sup>6</sup> CSEP achieved the UK's first county based sustainable energy strategy to be delivered through partnership. *The Energy Strategy for Cornwall, Action Today for a Sustainable Tomorrow (2004)*, achieved the strategic sign-up of 72 organisations (including all eight of the Beacon Councils), to deliver thirty two cross-sector actions aimed at reducing carbon emissions; reducing fuel poverty; increasing the deployment of renewable energy; maximising the economic benefits of sustainable energy and meeting agreed local targets for the generation of renewable energy. It was launched by the UK Government Minister for Energy and is supported by the European Commission, which has identified it as 'best practice' and is encouraging replication of the Partnership's approach across Europe. CSEP also developed the Home Health fuel poverty programme in 2002 which delivers free insulation to deprived areas and vulnerable homes. It continues to roll out across Cornwall and is being replicated elsewhere in the UK. Home Health has achieved remarkable take up rates by working with GP surgeries, councils, councillors, community groups, the police, charities and local businesses. Home Health is an example of successful alignment of national and local policy and delivery.

<sup>7</sup> DEFRA's 2005-2008 PSA targets are listed at:  
<http://www.defra.gov.uk/corporate/busplan/psa2004.htm>

<sup>8</sup> CLG's 2005 - 2008 PSA targets are listed at:  
<http://www.communities.gov.uk/index.asp?id=1503442>

<sup>9</sup> The DTI's 2005 -2008 PSA targets are listed at: <http://www.dti.gov.uk/about/strategy-objectives/PSA-Targets/page23502.html>

<sup>10</sup> DfT's 2005 - 2008 PSA targets are listed at:  
<http://www.dft.gov.uk/about/how/psa/spendingreview2004psatargets1>

<sup>11</sup> Tyndall Centre response to the Draft Climate Change Bill consultation -  
[http://www.tyndall.ac.uk/publications/briefing\\_notes/bn17.pdf](http://www.tyndall.ac.uk/publications/briefing_notes/bn17.pdf)

<sup>12</sup> DEFRA's response to earlier calls for mandatory measures in 'Securing the Future - UK Government Sustainable Development Strategy': *"We have also considered whether a general statutory duty on all, or the most important, public bodies to promote sustainable development would lead to clearer responsibilities and improved delivery of our sustainable development goals. It is difficult to attribute changes to the existence of a statutory duty alone and we must consider the cumulative impact of many statutory duties upon public bodies. However, we would like to continue to apply sustainable development duties on new bodies as they are created as appropriate to their role and remit, and to assess whether a specific sustainable development duty should be applied to existing key bodies in priority areas. The important issue is whether a new duty would promote better delivery of sustainable development."*

<sup>13</sup> IDEA - <http://www.idea.gov.uk/idk/core/page.do?pagelid=5747988>

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<sup>14</sup> CSEP's full response to the PPS1 Planning and Climate Change consultation is available on the CSEP Consultations web page at: <http://www.csep.co.uk/page144g.html>

<sup>15</sup> For further detailed comments, see CSEP's response to the GPDO consultation at: [http://www.csep.co.uk/downloads/gpdo\\_consultation\\_response.doc](http://www.csep.co.uk/downloads/gpdo_consultation_response.doc)

<sup>16</sup> CSEP's full response to Building a Greener Future is available on the CSEP Consultations web page at: <http://www.csep.co.uk/page144g.html>

<sup>17</sup> DEFRA press release, Sept 2006: <http://www.defra.gov.uk/news/2006/060922b.htm>

<sup>18</sup> *Securing the Future - UK Government Sustainable Development Strategy, p.156 (DEFRA, 2005)*

<sup>19</sup> *Biomass Task Force Report to Government, October 2005, p.32.*