

Local Carbon Budgets

Summary

1. This report sets out the discussions the LGA is currently having with Communities and Local Government (CLG) on the development of 'Local Carbon Budgets'. Local Carbon Budgets are being proposed as a mechanism for local authorities to deliver on climate change. The LGA is liaising with CLG to ensure that any final proposal is appropriate, feasible and in the interests of local councils.

Recommendations

Members are asked to:

Agree with the key elements of a local carbon budget, as set out in section 5.

Identify any concerns, questions or opportunities to inform the discussion with CLG and stakeholders.

Actions

Officers to take forward Member's comments as appropriate.

Local Carbon Budgets

Introduction

1. Communities and Local Government (CLG) recently consulted on, in their consultation 'Strengthening Local Democracy', a proposal for local authorities to take responsibility for 'local carbon budgets'. The LGA responded to this consultation which closed on 2nd October 2009. Whilst the consultation has closed, CLG is continuing to investigate the potential for local carbon budgets, and the LGA is working closely with them on its development.

What is a local carbon budget?

2. There is currently no definition of a local carbon budget, and the model for what it could look like is part of the CLG consultation. It is likely to build on both the national carbon budget, as released by the Committee on Climate Change, and National Indicator 186 (CO₂ emissions per capita), which was adopted by two thirds of councils as part of their suite of Local Area Agreements. It is also likely to involve a best estimate of carbon emissions from the local authority area, and from that information, setting a decreasing cap on that level of emissions.

Possible Models

3. CLG are currently considering a range of local delivery proposals on climate change mitigation, under the heading of a local carbon budget. This may involve the following:
 - *Central government giving every local authority a mandatory target to achieve.* NI 186 set out the framework for this, and Government employed AEA Technology to estimate the possible emission reductions that each local authority could achieve. However, this information was modelled from national information, and, according to AEA Technology, is not currently robust enough to be used at the local level. This mandatory target could be informed by the national carbon budget by identifying the element that local government could deliver.
 - *Scaling up the Carbon Reduction Commitment (CRC) to include emissions from transport, businesses and the community within a local authority area.* The CRC is currently only applicable to local authority services. If it was scaled up to include the community, robust evidence would be required, and it would also require a partnership approach to reduce emissions. Modelling local carbon budgets on the CRC would include a tradable element to carbon emissions, allowing local authorities to 'trade' in emissions.
 - *Building on NI 186, improving the quality of data and further encouraging or requiring local authorities to adopt this indicator as an LAA.*

Issues and opportunities

4. The information for NI 186 is currently modelled on a top-down basis, aggregating large elements of the information. As such, it does not adequately reflect local circumstances. There is also a two-year delay on the provision of the information, reducing the ability of local authorities to strategically plan against the indicator. Energy suppliers could, however, provide more local information, based on electricity sub-stations, to local authorities, providing a bottom-up approach to data. The main area of difficulty is the modelling of transport emissions, as there is currently no way to directly measure these emissions. However, better local modelling to improve the data could be achieved. This would better inform an accurate local carbon budget.
5. Several local authorities have expressed difficulty in signing up their strategic partners to carbon reduction targets. Local carbon budgets should also be the responsibility of other public and private partners within the local authority area.
6. Local authorities, whilst being given a national indicator to tackle climate change, have not been given the resources or powers to directly act to reduce local emissions.
7. Transactional costs of local carbon budgets are likely to be high, particularly if issues with data are sufficiently overcome to allow trading. Local carbon budgets with trading between councils will only be viable if the influence of local authorities (compared to other policy options) is sufficiently large (in terms of both emission sources and scale of reductions) to justify the transactional costs.
8. The UK carbon budgets are legally binding. If responsibility is devolved to local authorities and their partners then incentives must replicate both the importance and the challenge of meeting budgets.

Key elements of a local carbon budget

9. For approval:
 - a. The local authority should have access to timely, accurate and transparent local data in order to establish its local carbon budget and the opportunities for its reduction.
 - b. The local authority should be able to set out the opportunities for reducing carbon emissions within its area, looking at housing type, opportunities for renewables, and so forth.
 - c. Any government target for a local authority should be negotiable based on local evidence for what is achievable, as well as what is required for the UK to meet its carbon reduction targets.

23 4

- d. Any framework for local carbon budgets should require the involvement of other private and public stakeholders in the area to ensure its delivery is not the sole responsibility of the local authority.
- e. The local authority should be able to integrate the local carbon budget with its strategic planning functions, where applicable.
- f. Local carbon budgets should be linked to the provision of financial resources, local powers, and other support to local authorities to deliver
- g. Local carbon budgets should fit coherently with other CLG policy on the local authority performance framework, planning policy statements and building regulations.
- h. Any carbon trading scheme based on local carbon budgets should be straight-forward, transparent, and easy to administer by the local authority.
- i. Local carbon budgets should link into the post-2012 delivery mechanisms proposed by DECC, and other DECC policies on financial incentives for renewables, strategic planning for renewables, the carbon emissions reduction target (CERT), the community energy saving programme (CESP) and the carbon reduction commitment (CRC). All these policies should be streamlined.

Implications for Wales

- 10. The scope of this consultation applied to England only.

Financial Implications

- 11. There are no financial implications associated with this report

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