

Environment and Housing Programme Board

Agenda

Wednesday 16 March 2011
11.00am

Rathbone Rooms 1&2
Local Government House
Smith Square
London
SW1P 3HZ

To: Members of the Environment and Housing Programme Board
cc: Named officers for briefing purposes

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LG Group Environment & Housing Programme Board

16 March 2011

There will be a meeting of the Environment & Housing Programme Board at:

11.00am on Wednesday 16 March 2011 in Rathbone Rooms 1&2 (7th Floor), Local Government House, Smith Square, London, SW1P 3HZ. Lunch will be served after the meeting in The Terrace Lounge.

The **lead Members' pre-meeting** will be in Rathbone Rooms 1&2 at **9.30am**.

Political group meetings will start at **10.00am**.

Attendance Sheet

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

Apologies

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.

Labour: Aicha Less: 020 7664 3263 email: aicha.less@local.gov.uk
Conservative: Angela Page: 020 7664 3264 email: angela.page@local.gov.uk
Liberal Democrat: Evelyn Mark: 020 7664 3235 email: libdem@local.gov.uk
Independent: Group Office: 020 7664 3224 email: independent.group@local.gov.uk

Location

A map showing the location of Local Government House is printed on the back cover.

LGA Contact:

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e-mail: sarah.monaghan@local.gov.uk

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http://www.parkplaza.com/hotels/gbriver?s_cid=se.bmm2175

<http://www.novotel.com/gb/hotel-1785-novotel-london-waterloo/index/shtml>

Environment & Housing Programme Board

Environment & Housing Programme Board - Membership 2010/11

Councillor	Authority
Conservative (6)	
Gary Porter [Chairman]	South Holland DC
Peter Britcliffe	Hyndburn BC
Andrew Gravells	Gloucestershire CC/Gloucester City
Clare Whelan	Lambeth LB
Jason Stacey	Ealing LB
*David Smith	Lichfield DC
Substitutes:	
Neil Clarke	Rushcliffe BC
*Mary Mears	Brighton & Hove City Council
Labour (4)	
*Clyde Loakes [Vice Chair]	Waltham Forest LB
Derek Bateman	Cheshire West & Chester Council
Tony Newman	Croydon LB
Ed Turner	Oxford City
Substitute	
Tim Moore	Liverpool City
Richard Williams	Southampton City
Liberal Democrat (3)	
Dorothy Thornhill [Deputy Chair]	Watford BC
Berni Turner	Liverpool City
Paula Baker	Basingstoke & Deane BC
Substitute	
Roger Symonds	Bath and NE Somerset Council
Independent (1)	
Mike Haines [Deputy Chair]	Teignbridge DC
Substitute	
Andrew Cooper	Kirklees MBC

14 member Board

*** new member/substitute**

+ substitute in 2009/10

LG Group Environment & Housing Programme Board Attendance 2010-2011

Councillors	13.9.10	17.11.10				
Conservative Group						
Gary Porter	Yes	Yes				
Peter Britcliffe	Yes	Yes				
Andrew Gravells	Yes	Yes				
Clare Whelan	Yes	No				
Jason Stacey	Yes	Yes				
David Smith	Yes	Yes				
Labour Group						
Clyde Loakes	Yes	Yes				
Derek Bateman	No	Yes				
Tony Newman	Yes	Yes				
Ed Turner	Yes	Yes				
Lib Dem Group						
Dorothy Thornhill	No	Yes				
Berni Turner	No	Yes				
Paula Baker	Yes	Yes				
Independent						
Mike Haines	Yes	Yes				
Substitutes						
Roger Symonds	Yes					
Neil Clark		Yes				
Tim Moore		Yes				

Agenda

Meeting title	LG Group Environment & Housing Programme Board
Meeting date	16 March 2011
Meeting time	11.00am
Meeting venue	Rathbone Rooms 1&2 (7 th Floor), Local Government House

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1.	Planning Reform		11.00 – 12.00
	Trudi Elliott (RTPI) Tony Burton (Civic Voice), plus Liz Peace (British Property Federation)	3	
2.	The LG Group and the Department of Energy and Climate Change's agreement on climate change and the Stockport event	13	12.00– 12.20
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Date of Next Meeting: Wednesday 25 May 2011, awayday (tbc)

Item 1

Planning reform

For discussion and direction

Summary

This report sets the background for the seminar style discussion at the meeting on the opportunities and challenges councils will be facing on planning and physical development, and the role of the Local Government Group in responding to them. Trudi Elliott (RTPI) Tony Burton (Civic Voice), plus Liz Peace (British Property Federation) will be attending the meeting to offer their views briefly, and participate in the discussion.

Recommendations

1. Members discuss recent reforms to planning system.
2. Members discuss the planning support offer to the sector and consider how the board will steer this going forward.

Action

As directed by Members

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Item 1

Planning reform

Background

1. Planning has been a key plank of the government's reform programme in its first eight months in office. The large number of policy changes, proposals and initiatives both within the localism bill and outside will have a significant impact on the role of local planning authorities both at the community planning level and strategic level.
2. The key changes affecting councils can be summarised as follows:
 - 2.1 A change to the nature of **strategic planning** with the abolition of Regional Spatial Strategies and a new duty to cooperate through the localism bill.
 - 2.2 A new system of **neighbourhood planning** including measures to allow parish and town councils and new neighbourhood forums in un-parished areas to develop new neighbourhood plans and orders subject to independent examination and acceptance at referendum.
 - 2.3 A requirement on developers to undertake **pre application discussions**. The government is currently consulting on the scope of this provision.
 - 2.4 Proposals to cut back on the approximately 2,500 pages of planning guidance through the creation of a streamlined **National Planning Policy Framework**.
 - 2.5 A **local standards framework** for new homes.
 - 2.6 Powers to allow local planning authorities to charge **planning fees** to full economic cost.
 - 2.7 **Abolition of Infrastructure Planning Commission** and transfer of responsibility for decisions on major infrastructure to the Secretary of State.
 - 2.8 **A focus on incentives**; principally the New Homes Bonus and Community Infrastructure Levy (CIL).

Response to the planning reforms

Sector and professional bodies

3. The **Local Government Group** (LG Group) has supported the thrust of government's approach to planning. However we have highlighted an obvious disconnect between Ministers' ambitions and the detailed prescription and duties - evident particularly in the Localism Bill. We are working with the government on specific issues including work to ensure that the neighbourhood planning measures genuinely promote local choice and flexibility.

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4. The **Planning Officers Society** (POS) has worked closely with the LG Group on planning reforms including joint submissions on issues of planning fees and planning for schools. POS have noted that the neighbourhood planning proposals in the localism bill are too demanding, protracted and expensive to encourage much take up.¹
5. The **Royal Town Planning Institute** (RTPI) have called for the duty to cooperate to include a much firmer requirement to work together and have proposed an additional duty to consider cooperation. The RTPI welcome the NPPF and would like to see it on the face of the localism bill².
6. The **Town and Country Planning Association** (TCPA) welcome the duty to cooperate but would like to see this strengthened. They highlight that there is a need to monitor cooperation and mechanisms for mediation between partners should also be made available³.

Voluntary and Community Sector

7. **Action with Communities in Rural England** (ACRE) welcome neighbourhood planning measures and wish to ensure that it is workable at local level and achieves the right balance between empowering communities and maintaining the integrity of strategic local planning policies⁴.
8. **Civic Voice** welcome the proposed changes to CIL and are interested in safeguards that will be put in place to ensure communities gain access to the funds they require⁵.

Business and Development Sector

9. The **Home Builders Federation** (HBF) would like to see the presumption in favour of sustainable development included within primary legislation. They would also like to see the duty to cooperate strengthened. The HBF support a streamlining of the burden on housing development and believe there are very few legitimate 'local standards', as distinct from national standards⁶.

¹http://www.planningofficers.org.uk/downloads/pdf/Localism%20Bill_Key%20Lines%20of%20Enquiry_conference%20version_FINAL_20jan11.pdf

²<http://www.rtpi.org.uk/item/4393/23/5/3>

³http://www.tcpa.org.uk/data/files/final_mpw_bp3.pdf

⁴<http://www.acre.org.uk/Resources/ACRE/Parliamentary%20Debates%20-%20Localism%20Bill.pdf>

⁵http://www.civicvoice.org.uk/uploads/files/Second_Reading_Commons_briefing_-_January_2011.pdf

⁶http://www.hbf.co.uk/fileadmin/documents/news/Parliamentary_Briefings/HBF_Government_briefing-Localism_Bill_-_14_Jan_2011.pdf

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10. The **British Property Federation** (BPF) support the strong 'pro growth' message in the localism bill and are happy that issues such as third party right of appeal did not make it into the bill. The BPF accept a rise in planning fees to cover costs is appropriate although would not support local authorities being able to do this in an unregulated fashion⁷.

Reaction in the media to planning reforms.

11. '**Menston campaigners use referendum to protect green fields from bid**'. The Bradford and District Advertiser reports that campaigners are planning to call a parish referendum to help block the development of former greenfield sites that were re-designated for housing by a Government planning inspector, contrary to recommendations from Bradford Council.⁸

12. '**Localism Betrayed**'. Responding to Greg Clark's promises that local people will be able to shape the planned environment of their communities 24 Dash Blog writes that 'It is designed to deliver centralised housing targets and to ensure that bigger than local planning is imposed on local communities. The old order is back. Centralised planning from big government is the real meaning of localism in the Big Society.'⁹

13. '**Home Truths: localism and Development**'. Building.co.uk cites the fears of the development industry as 'that by relinquishing central control, the coalition is handing the future of the industry to the people who have spent the past three decades fighting development at every turn'.¹⁰

14. '**Wish list for the National Planning Policy Framework**'. Property Week describes the document as the 'one of the most eagerly-awaited documents for many a year'. The framework must have 'a strong presumption in favour of development and checks and balances for the new system of neighbourhood plans'¹¹.

15. '**Ludicrous planning rules banning councillors with mobile phones from voting on masts to be ripped up**'. The Daily Mail writes that 'the new [pre determination] rules would still prevent someone voting on a planning scheme in which, for example, they have a financial interest. But they would not stop

⁷ http://www.bpf.org.uk/en/files/bpf_documents/planning/BPF_response_to_planning_app_fees_final.pdf
http://www.bpf.org.uk/en/files/bpf_documents/planning/Localism_Bill_Second_Reading_brief.pdf

⁸ http://www.advertiserseries.co.uk/news/news_guiseley/8888804.Votes_plan_to_stop_300_new_homes/, 3rd March 2011

⁹ <http://www.24dash.com/blogs/andyboddys/2011/02/11/Localism-Betrayed/>, 11th February 2011

¹⁰ <http://www.building.co.uk/sectors/housing/home-truths-localism-and-development/5012928.article>, 18th February 2011

¹¹ <http://www.propertyweek.com/professional/planning/comment-heres-my-wishlist-for-the-national-planning-framework-says-ian-tant/5014321.article>, 3rd March 2011

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councillors voting on an issue if they had stood for election against that development¹².

16. **'Spice up the suburbs with the help of the Localism Bill'**. The Guardian writes that the planning measures in the localism bill could be 'one sensible way of getting people together to work through local initiatives'. The concern is "less that local communities lack the will to compromise over building matters, but that we lack the expertise to do so. We need to learn a lot more, collectively, about architecture, design, planning and conservation before we can be sure that we are talking sensibly, generously and imaginatively."¹³

Local Government Group support offer on planning

17. The Local Government Group has received confirmation that funding for the Planning Advisory Service will be continued over the spending review period. This will consist of £3 million 2011/12, funding in future years will be subject to agreement but CLG have indicated that this will decline to £2 million by the end of the spending review period in 2014/15. The confirmation letter is available at Annex A.
18. Targeting this funding to ensure maximum value for money for the sector will be crucial. **Members are asked for their views on the key components of a support offer to the sector.** Members may wish to consider the following issues:
- 18.1 Supporting councils to respond to key national policy changes outlined in paragraph 2.
 - 18.2 Ensuring coherence with the wider Local Government Group support offer¹⁴.
 - 18.3 Providing a balance between generic tools and support for the sector as a whole and targeted support to specific councils.

¹²

<http://www.dailymail.co.uk/news/article-1343815/Localism-Bill-planning-rules-torn-up.html#ixzz1Fvb8rtrt>, 4th January 2011

¹³ <http://www.guardian.co.uk/commentisfree/2010/dec/07/localism-bill-planning-permission-suburbs>

¹⁴ The Local Government Group RSG prospectus proposed £7m to identify the key productivity gains for local government and make sure councils deliver these savings quickly, £7m to radically transform the way services are organised through local budgets delivering the services people want in a joined-up way, £2.5m to support councils in working closely with businesses and local people to create strong local economies, £6m to improve the skills of councillors so they play a full role in helping local people build a stronger civil society, £3m to ensure an affordable and flexible pay, reward and conditions system for local government in order to deliver a transformed workforce, £6m to help councils take responsibility for reviewing and challenging their own performance through their accountability to local people rather than central government targets.

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19. The LG Group support programme must be responsive and flexible to the needs of member councils. Central to this is ensuring a strong member oversight of the support programme via the establishment of strong links to the LG Group Environment and Housing Programme Board. **Members are asked to consider how they can most effectively steer and provide oversight to the LG Group support programme on planning.**

Financial Implications

20. The Planning Advisory Service will be funded by a specific grant from Communities and Local Government.

17 February 2011

Rob Whiteman
Chief Executive
Local Government Improvement &
Development
Layden House
76-86 Turnmill Street
London EC1M 5LG

Our Ref: 36/01/10
Your Ref:

Dear Rob

PLANNING ADVISORY SERVICE FUNDING FOR 2011

I am writing to confirm that the Government welcomes the work that the Planning Advisory Service (PAS) has done to improve efficiency in local authority planning services and sees a key role for them helping to deliver the Government's planning reform agenda.

I am pleased therefore to confirm that Ministers have agreed to provide funding of £3m to PAS for 2011/12. Funding in future years will be subject to agreement but we expect this to decline to £2m by the end of the spending review period in 2014/15. The funding is subject to agreement on the business plan that is currently being drafted.

I expect to be able to finalise full details and then to send you a formal grant offer letter early next month.

Copies of this letter go to Ian Woolford and Alice Lester.

Yours sincerely



David Morris
Head of Planning Development Plans

Item 2

The LG Group and the Department of Energy and Climate Change's agreement on climate change and the Stockport event

Purpose of Report

To update the board on the Local Government Group's climate change offer, the LG Group and the Department of Energy and Climate Change (DECC) agreement on climate change, and the Board's event in Stockport.

Summary

In his speech at the LG Group conference in July 2010, Chris Huhne asked the Group to develop an offer on how local and central government can work together to meet the UK's 80% CO2 reduction target. This paper provides an update on the offer and the LG Group agreement with DECC. It also reviews the Board's event in Stockport.

Recommendation

That the Board takes note of the new agreement between the LG group at DECC on climate change.

Action

Lead Members and officers to take forward negotiations in line with the Board's decisions.

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Item 2

Local Government's Offer on Climate Change and subsequent agreement

Background

1. The LG group submitted an offer on climate change to DECC in September 2010. As a result of that offer the LG group and DECC have been negotiating on a way to take the proposals set out by the Group forward. A memorandum of understanding between DECC and the LG group has been agreed and was signed by Cllr Richard Kemp and the Secretary of State for Environment and Climate Change on Wednesday 9 March. The memorandum of understanding is attached for information.

Content

2. The purpose of the memorandum is to set out the partnership arrangements between the DECC and the LG Group, including scope, governance, accountability and roles and responsibilities.
3. The MOU sets out a partnership arrangement to help meet national climate change, fuel poverty and renewable energy targets.
4. The MOU sets out how DECC and the LG Group will work together help and encourage all councils to take firm action – underpinned by locally ambitious targets and indicators - that enable councils to:
 - 4.1 Reduce the carbon emissions from their own estate and operations;
 - 4.2 Reduce carbon emissions from homes, businesses and transport infrastructure, creating more, appropriate renewable energy generation, using council influence and powers; and
 - 4.3 Participate in national carbon reduction initiatives at the local level, particularly the roll out of the Green Deal, smart metering and renewable energy deployment.
5. The MOU will be reviewed annually and a report will be produced jointly by DECC and the LG Group by the end of May each year. The LG Group Environment and Housing Programme Board is identified in the MOU as taking responsibility for the MOU within the LG Group.
6. The MOU sets out how the Nottingham Declaration will be re-invigorated so that councils can re-sign it and demonstrate new ambitions, based on local opportunities, on climate change.

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- 7 The Secretary of State for Energy and Climate Change and senior political representatives from the LG Group will meet annually in the spring of each year to review the MOU, the Annual Report and council action on climate change.
- 8 Crucially, DECC agrees in the MOU to work with the LG Group to ensure the experience of councils are reflected in DECC's ongoing evaluation of policies, and that the Department's future policy positions take into account local ambition and delivery.
- 9 Through the MOU, the LG Group agrees to take on a leadership role in encouraging all councils to demonstrate their ambition on climate change through the New Nottingham Declaration and other appropriate agreements or declarations. The LG Group is also agreeing to encourage all councils to play their full and active part in reducing emissions and to develop and implement plans for reaching out to those councils that do not take a full and active part in reducing emissions.
- 10 The MOU also has an accompanying Action Plan that sets out key actions for the LG Group and DECC over the forthcoming year.

The Board's Stockport Event

Background

5. As part of the Environment and Housing's Programme Board functions, a series of events, hosted by councils, are being held across the country for councillors.
6. This event on 2 February 2011 was hosted by Stockport Council on behalf of the Association of Greater Manchester Authorities (AGMA). The event looked at the low carbon economy, and in particular how AGMA was using its Local Enterprise Partnership (LEP) to drive this agenda.
7. Chaired by Cllr Loakes, the event heard from Cllr Goddard, setting the scene for work in Stockport and Greater Manchester.
8. The attendees then heard short presentations from Martin Wheatley (LG Group), Mike Reardon (Strategic Director, AGMA), Abigail Burrige (LG Group), Sarah Davies (Strategic Director, Greater Manchester Environment Commission) and Michael O' Doherty (Head of Climate Change, Buildings and Energy, Manchester City Council).
9. The event was closed by Cllr Derek Antrobus and Cllr Clyde Loakes
10. Attendees to the event made the following recommendations for the LG Group:

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- 10.1 Continue to act as a hub for access to knowledge and good practice across the sector, particularly in relation to self-regulation and improvement.
- 10.2 Continue to promote a sector-led approach, particularly in relation to the LG Group Offer on Climate Change, which was designed by and workable for local government.
- 10.3 There was agreement that it would be useful for the LG Group to match up local authorities with similar characteristics to share know-how and ways of working.

And that the LG Group should pursue the following issues with Government:

- 10.4 There was strong support for the LG Group's argument that the Government's stance should be enabling and not imposing.
 - 10.5 The LG Group should lead the discourse with Government on the skills sector to ensure more joined up thinking around delivery.
 - 10.6 The LG Group should continue to solidify councils' role in the Green Deal (as providers, partners, supporters and receivers) with Government.
11. Whilst the event was a great success, it was agreed that more emphasis needs to be placed on councillors giving presentations and their views, rather than presentations from officers.

Item 3

Waste Review progress report

Purpose

For discussion and direction

Summary

The Programme Board discussed the LG Group's response to Defra's review of waste policy in England at its November meeting. This paper updates members as to the progress of this review and the key recommendations that we expect it to make.

Recommendations

Members are asked to:

1. Note the contents of the report.
2. Comment on proposed position for meeting between the LG Group Chairman and Defra Secretary of State on the 23rd March.

Action

Officers to incorporate Members' views and suggestions into briefings for the meeting on the 23rd March.

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Item 3

Waste Review progress report

Background

1. On 15th June the Defra Secretary of State, Caroline Spelman MP, announced that the Government would undertake a full review of waste policy in England. The Programme Board agreed its key message for inclusion in the Group response to this review at its meeting on the 5th July and the final response was submitted on the 7th October.
2. The LG Group response was broken down into the following sections; why waste matters to councils; current priorities, municipal waste – collection; municipal waste – disposal; commercial and industrial waste and the European dimension.
3. The following key points were the focus of the submission (the full submission can be found at **annex A**):
 - 3.1 In the context of significant reductions in public spending the LG Group urges the Government to focus this review of waste policy on creating assurance that EU targets can be met and fines avoided at the minimum possible cost.
 - 3.2 Councils' performance on waste has been outstanding. They have reduced the amount of waste sent to landfill whilst driving up recycling rates from 7.5% in 1996/7 to almost 40% by December 2009.

Defra's response

4. The LG Group understands that Defra's Review response will focus on primarily on waste as a resource. This central theme will be supplemented by sections on empowering local communities and business, as well as a section on disposal, covering recovery and the waste hierarchy. We can expect the following points to also be covered in the Review response:

Empowering local communities

5. We expect the Review response will state that there is no practical 'one size fits all' approach to collection. There is a risk, however, that the review may 'lean' on councils to introduce weekly food waste collections, without mandating them in a way which would require the Government to provide additional funding under the new burdens arrangements.

LG Group position: We agree that collection methods and frequencies should be determined locally. Many councils already have successful established approaches to food waste collection but it would be inconsistent with the

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Government's line that collection is a local matter if the review were to express a view on this matter.

6. The Review is likely to suggest a refresh of the Waste Collection Commitment in conjunction with the LG Group and WRAP to ensure households continue to be well informed about collection services in their areas and to make it easier for them to do the right thing.

LG Group position: We are happy to work with Defra and WRAP to refresh the WCC.

7. We expect the review to reference the spending constraints that are facing councils and will suggest that innovative approaches will need to be taken in terms of procurement, shared services, and combined decision-making as a result. As well as this, progress being made to amend the Schedule 2 regulations and the removal of centrally generated targets will be referenced.

LG Group position: All councils will be considering new ways of working to ensure services are maintained despite reductions in spending wherever possible. We welcome the removal of centrally generated targets and urge Defra to implement changes to Schedule 2 regulations as soon as possible.

8. We also expect the Review to announce that LATS will be ended at the end of the 2012/13 scheme year and that the statutory duty on local authorities to produce Joint Municipal Waste Management Strategies (JMWMS) will be removed.

LG Group position: We welcome the ending of the LATS scheme, but ask that councils that are financially disadvantaged by this are compensated. We also welcome the removal of the duty to produce JMWMS.

9. Defra are likely to announce that they will work with the LGA, WRAP and IESE to develop a national route map detailing the steps that need to be taken to set up waste partnerships, complementing the LGG's *Place-based productivity steering group's* work in this area, including work being undertaken to achieve efficiencies through better procurement.

LG Group position: We would be happy to lead this work and fully support the development of sector-led and owned guidance.

Business Waste collection

10. The Review is likely to note that many of the issues around commercial waste are the same as those for municipal waste and they should therefore be considered as part of a single waste stream. We expect the review to focus on waste collection and disposal from Small and Medium-sized Enterprises in particular. Councils will be asked to work with LEPs, Chambers of Commerce and local trade associations to highlight to SMEs the value of pursuing joint recycling contracts to achieve the necessary economies of scale to ensure these schemes are cost effective. The waste management industry will also have a significant role in this area.

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LG Group position: Councils could be interested in extending their services and providing more recycling facilities geared to businesses if it did not expose them to higher landfill tax on residual waste.

Involvement of civil society

11. We expect the Review will also highlight the role that civil society groups can play in waste and recycling, both in terms of working with communities and the public and private sectors. There are however barriers that the Government will need to remove for civil society groups to play a full role in this area in terms of finance, regulation, capacity and education.

LG Group position: Councils would be happy to work with civil society groups to maintain services where practicable. As the Review is likely to note however, regulations will need to be amended to facilitate this.

Recycling on the go

12. We understand the Review is likely to make reference to the current difficulties in recycling 'on the go' when compared to recycling at home. Defra will suggest that councils should do more to provide and maintain recycling facilities in public places to ensure that consumers find it easy to do the right thing.

LG Group position: Any attempt by Government to direct councils to install and maintain new street infrastructure must be accompanied by financial support to pay for this infrastructure and the on-going costs of maintenance. The Government has yet to demonstrate that such investment would result in significant increases in recycling, compared with similar additional investment in improved household collection.

Rewards and recognition

13. We expect the Review to make reference to reward schemes such as those being run in conjunction with Recyclebank in the Royal Borough of Maidenhead and Halton Borough Councils, as well as national schemes and those being run at the community level in places such as Carlisle and Ealing. It will be suggested that the LG Group and WRAP, with the support of Defra, work to develop best practise information for councils considering the introduction of reward schemes.

LG Group position: Reward schemes are one way of increasing recycling schemes that councils should be able to use. We urge Government not to see such schemes as being universally applicable however.

Enforcement

14. The Review is likely to seek to encourage councils to work with their residents and to repeal certain powers that allow councils to currently inspect household waste under the Environment Act 1995.

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LG Group position: Councils need to be able to: recognise and reward the vast majority of residents who do the right thing; constructively put right people who misunderstand or make mistakes; and respond as necessary to local people's concern about householders or businesses whose poor approach affects local environmental quality. We will consider with an open mind proposals for ensuring formal powers are effective and proportionate, but councils do need appropriate legal sanctions as a last resort for people who behave in an anti-social way.

Energy recovery

15. We expect the Review to suggest that energy from waste is a sector that could expand. This process will reverse however as more and more waste is recycled, reused or prevented from entering the waste stream. This is not however true of food waste which could continue to provide fuel for anaerobic digestion plants. The Government will publish a separate anaerobic digestion strategy to provide further detail on this.

LG Group position: Both energy from waste and anaerobic digestion are examples of technologies that can be used to divert waste from landfill and should be options when councils decide which infrastructure is best suited to meeting their requirements.

Infrastructure and Planning

16. We understand the Government will publish a detailed waste infrastructure planning policy as part of a revised National Infrastructure Policy Plan in November 2011. However we expect the Review to recommend that infrastructure should be developed in partnership between developers and communities, to balance community and national needs while maximising the value recovered and ensuring commercial viability.

LG Group position: Government's approach to waste planning suggests communities should take responsibility for managing their own waste. However technologies, economies of scale and sustainability issues often makes planning for waste facilities a matter of more than local significance (e.g. in relation to energy production from waste and its connection to wider infrastructure). At the same time, local decision making and accountability is essential, and therefore councils must be equipped to make the necessary strategic decisions whilst analysing all advantages/disadvantages involved.

Conclusions and next steps

18. The LG Group Chairman, Cllr Dame Margaret Eaton is meeting with Defra Secretary of State Caroline Spelman on the 23rd March to discuss the waste review. Member's comments, not only on the expected contents of the Review document, but also on this issues that have not been addressed, will be used for the Chairman's briefing for this meeting.

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Financial Implications

19. Waste services cost local authorities over £3.1bn in 2008-9 and are expected to increase to £4.2bn by 2013. Apart from education and social care, waste collection and disposal is the biggest area of council spending. Any future lobbying on the outcomes of the Review must stress the importance of creating assurance that EU targets can be met and fines avoided at the minimum possible cost

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**Environment & Housing Programme Board Improvement and
Development Review Panel— Final Report**

Summary

The LG Group's two main roles –supporting performance by councils and influencing national policy – are closely linked In particular, demonstrating that the LG Group takes performance issues seriously and is able to add value is important both in winning policy arguments with Government and proving worth to sector.

In future, the Environment & Housing Programme Board will need to:

1. Understand the performance of the sector generally on key issues to inform policy positions and the development of Group and other support activities;
2. Be able to identify any councils facing particularly high levels of challenge, and work with the Improvement Programme Board to provide individual support;
3. Prioritise and influence the LG Group's support for councils funded and provided by topslice, externally funded programmes and other organisations;
4. There is a particular role for the Board to ensure that Group activity to support councils is informed by an understanding of challenges facing Members and that Member-focused activity is prioritised, delivered and publicised in ways which reach them.

Recommendations

Members are invited to:

1. *comment* on the analysis in this report
2. *comment* on the information they need to enable them to take an overview of housing and environmental issues and that this is brought together for the June Board meeting

Action

Officers to take forward the recommendations set out in this report

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**Environment & Housing Programme Board Improvement and
Development Review Panel— Final Report**

Background

1. At its meeting on 13 September, the Environment & Housing Programme Board agreed to set up an Improvement and Development Review Panel to consider the Group's current offer in relation to council priorities and the national policy landscape and report back to its March meeting.
2. In its two meetings and associated dialogue, the Review Panel has taken a scrutiny type approach in order to get an understanding of the work going on across the Group to support councils on environment and housing matters. This includes consideration of the impact of that work on councils, how councils have been involved in developing next year's offer which should support self regulation and offer value for money.
3. This report:
 - 3.1 Summarises the current improvement and development work undertaken in the areas within the board's remit;
 - 3.2 Reviews the LG Group's current offer in relation to council priorities;
 - 3.3 Makes recommendations for the 2011-12 financial year and beyond for how the Group's performance and improvement work should be developed in the areas of the Board's remit.

Current context

4. The basis on which the LG Group will support the local government sector to meet its challenges with effect from April 2011 has changed considerably since the election. There have been drastic changes to the context in which councils operate, affecting environment and housing departments as other in areas. These changes include:
 - 4.1 big reductions in funding for councils and in other spending programmes in local areas;
 - 4.2 the abolition of CAA, and the replacement of the National Indicator Set by a 'Single Data List'.
5. The success of the LG Group's Freedom to Lead campaign to reduce the burden of external inspection and assessment facing councils has provided an opportunity to further develop the Group's proposals on self-regulation and improvement in local government – in consultation with the sector. Councils have given a very clear message about what is needed in the future of inspection and performance:

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- 5.1 councils are responsible for their own performance;
 - 5.2 councils have a collective responsibility for the performance of the sector as a whole where councils wish to work with others;
 - 5.3 the agenda must be much broader than just the services provided by councils and support better outcomes for communities as a whole and value for money for public expenditure;
 - 5.4 whilst supportive of the suggestion that the LG Group provides tools to support them, councils are clear that such tools should be voluntary and be capable of adapting to local circumstances;
 - 5.5 respondents were also clear that the LG Group should not become some sort of sector owned inspectorate - whilst recognising that the Group has a role to play in managing the risk for the sector as a whole when councils are facing difficulties.
6. In response, the report *Taking the lead: self-regulation and improvement in local government* (attached at **Appendix A**) was launched by Cllr David Parsons on 15 February. It is a proposition for how sector self-regulation should be taken forward, based on the underlying principles that local authorities (councils and fire and rescue services) are responsible for their own performance, stronger accountability to local people drives further improvement, collective responsibility for the performance of the sector as a whole and that the role of the LG Group is to provide support and assistance. *Taking the Lead* is a core part of the LG Group's "offer" to the sector (setting out a range of tools that the Group will make available for councils to use, should they choose to do so) and progresses a number of elements from the LG Group Business Plan.

Taking the Lead – seven point support offer

- Local accountability tools
- Peer challenge
- Peer support
- Knowledge Hub
- LG Inform - Data and transparency
- Leadership support
- Learning and support networks

7. During the consultation and discussions around the development of these proposals councils also made it clear that the sector needs to find a way of managing the risk of underperformance – since service or council “failure” can have a detrimental impact on the reputation of the sector as a whole. The LG Group Improvement Board, working with other Programme Boards, will therefore maintain an overview of performance within the sector as a whole - drawing on

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existing data and intelligence in the sector (through political, geographic and service-based networks) to share good practice, spot those facing particular performance challenges and offer support. The focus of this activity is to offer support. The Group will not position itself as any form of Inspectorate and neither will this activity impose any additional burden on councils.

8. The economic and fiscal context, and in some cases radical changes in policy by Government, create both challenges and opportunities for councils on issues the Board deals with, where councils are likely to require some support:
 - 8.1 planning and delivering housing and other physical development;
 - 8.2 meeting the housing needs of people who are on low incomes and vulnerable;
 - 8.3 reducing energy use and carbon;
 - 8.4 waste collection and disposal;
 - 8.5 protecting communities from natural environmental risks and dangerous or unpleasant human behaviour.
9. However, the Group itself is going through big financial and organisational changes, facing a loss of income of up to 40% from its core subscription and topslice funding, and much less readiness by Government to fund specific programmes. In light of the changes in Paper 5 of this agenda (Getting Closer), the Board will need to establish within the resources available how to provide councils with advice and support in these issues.
10. However, CLG has agreed to provide £3m to fund planning advice and support in 2011-12.

Performance, reputation and policy

11. The trend towards localism and devolution means that the actual and perceived competence of the sector is more important than ever. Unfortunately, alleged weaknesses in a small number of places often have a reputational impact for the sector as a whole – witness recent media reporting of difficulties in refuse collection over the Christmas period.
12. In their negotiations with us over the agreement on councils and climate change, DECC have been pressing us about the transparency and ambition of councils in tackling climate change in future, and what the Local Government Group will be doing to support that. In response, we have drawn on the approach set out in *Taking the Lead* to demonstrate the ambition of the sector and the Group, and how a sector-led approach will enable councils and the Group to understand performance and act on improvement.

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The agreement between the Department of Energy and Climate Change (DECC) and the Local Government Group on climate change was signed on Tuesday 8 March by the Secretary of State and Cllr Richard Kemp. The agreement sets out our proposals for how the local government sector will continue to demonstrate its ambitions to tackle climate change, without the need for top-down targets. The key proposal within the agreement is to reinvigorate the Nottingham declaration. The Nottingham declaration is now 10 years old, and over 90% of councils have already signed up to the existing Nottingham declaration. We will be encouraging councils to sign up to the new Nottingham declaration which will set out a number of proposed targets and indicators that councils can opt into, that can be managed through the LG Group's self-regulation and improvement agenda. There will also be a Nottingham declaration board with the role of coordinating support for councils on climate change.

As part of the agreement with DECC, the Department and the Environment and Housing Improvement Board will produce a collaborative report on local government action on climate change on an annual basis. This will provide an opportunity for the LG group to also feedback to DECC on their attitude towards localism, as reflected in their policies.

13. Our response to Government on the clauses in the Localism Bill enabling it to fine councils over breaches of European law also emphasises the seriousness of the sector in managing performance issues in a devolved environment. While these clauses potentially affect all aspects of council activities, they are of particular concern to this Board because some of the main risks are on environmental issues, notably waste and air quality.
14. The Government's recent decision to provide funding for Group improvement activity on planning suggests it too sees the connection between radical policy change and the provision of improvement support for councils.
15. In order to contribute to the LG Group approach set out in "Taking the Lead" the Environment and Housing Programme Board will need to consider how it will maintain oversight of the performance of the sector in the areas within its remit.
We recommend that the Board identify a small range of key information which, when taken together, provides an overall view of performance across housing and environment sectors and that this is reported at regular, twice yearly, intervals e.g.
 - 15.1 **the number of councils signed up to the proposed strengthened Nottingham Declaration;**
 - 15.2 **or councils who have put in place an up to date local plan, etc.**
Officers should prepare a 'dummy run' for the June board meeting.

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16. Having this information available would also provide a firm basis for the Board to influence the nature of future support provided through the LG Group Business Planning process.
17. However, the content and format of the reports to the board will need to be considered carefully, so that papers available on the website do not appear to be creating league tables or passing judgement on individual councils.

Sources of know-how and support for councils

18. The table in **Appendix B** sets out the main sources of know-how and support for councils in and beyond the LG Group in areas within the Environment & Housing Programme Board's remit.
19. We reached a number of conclusions about these sources of support, and the changes to :
- 18.1 **the current landscape is very complex.** There are many different programmes, of different types, and funded through many different sources, both in the Group and more widely;
 - 18.2 **a number of them** (for example the knowledge and skills arm of the HCA, and CABE) **will be eliminated, or significantly reduced in scale** as a consequence of Government spending reductions. That scaling back, however, is the result of separate circumstances and decision-making in Government departments and NDPBs, and not informed by any sector view on priorities;
 - 18.3 in an ideal world, central Government would channel all resources for sector support through the Group, which would make it a lot easier to organise and market it in a coherent way. However, since this is unlikely to be achievable in the near term, **we recommend the focus should be on making it easier for Members and professionals in the sector to connect easily with what is available.** The Nottingham Declaration Partnership, with its single web portal giving access to know-how and programmes on climate change delivered by a number of different organisations, is one model for this
 - 18.4 the materials and services of any of the organisations listed are in principle available to Members. But outside the LG Group **only a minority of organisations listed themselves as making specific provision for Members.**
 - 18.5 we were pleasantly surprised to know about the range of information and services which are available to Members in the sector. But our lack of previous awareness suggests **more needs to be done to market them to Members, and to make them easily accessible. We recommend that as programmes are developed on specific areas of improvement support, they should include a specific focus on this**

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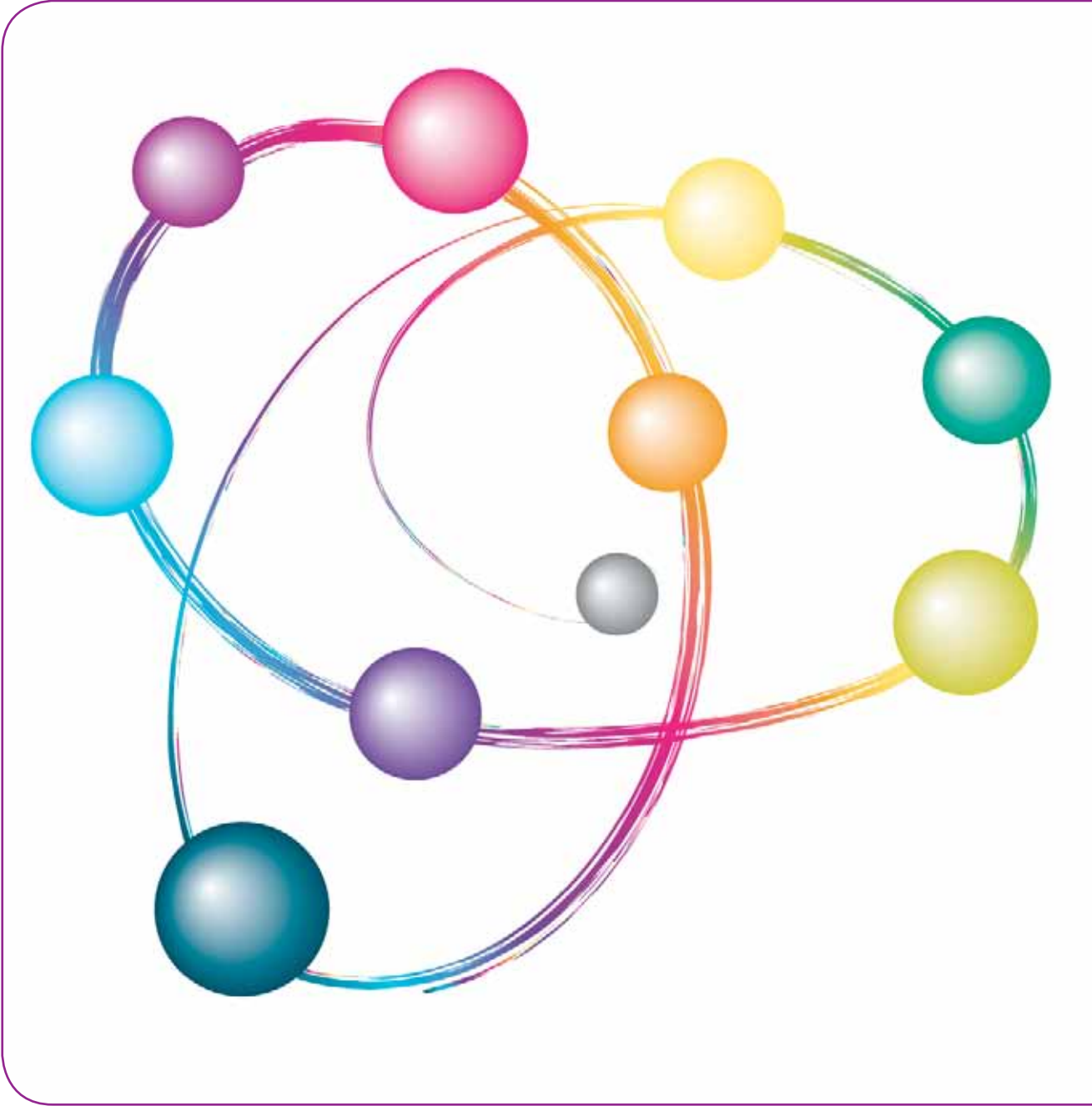
18.6 Since, for the foreseeable future, much of what is provided for councils will not be part of the Group's core topslice offer, but delivered by the Group through specific funded programmes, or by other organisations, **the Board needs to seek to maximise its own and sector input into their design and delivery. We therefore recommend that in future Members of the Board should have a role in the governance of all funded programmes; and officers should draw up proposals for the June board meeting on how the influence of Board Members on programmes delivered by other organisations could be increased.**

Summary of recommendations

Members' comments are welcome on the following recommendations:

1. We **recommend** that the Board identify a small range of key information which, when taken together, provides an overall view of performance across housing and environment sectors and that this is reported at regular, twice yearly, intervals.
2. We **recommend** the Group's focus should be on making it easier for Members and professionals in the sector to connect easily with what is available.
3. We **recommend** that as programmes are developed on specific areas of improvement support, they should include a specific focus on marketing them to Members, and to make them easily accessible.
4. We **recommend** that in future Members of the Board should have a role in the governance of all funded programmes; and officers should draw up proposals for the June board meeting on how the influence of Board Members on programmes delivered by other organisations could be increased.

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Taking the lead:

self-regulation and improvement in local government

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Foreword



I have been greatly pleased by the number and quality of responses we have received to the consultation on a new approach to sector self-

regulation and improvement. The response rate was one of the best there has been to a Local Government Group consultation with 120 individual councils responding and almost another 200 councils responding through their Regional Improvement and Efficiency Partnerships (RIEPs) and other bodies.

Councils agreed with the underlying principles we proposed – that councils are responsible for their own performance, that stronger accountability to local people drives further improvement, and that councils have a collective responsibility for performance in the sector as a whole.

There was also agreement that the role of the LG Group should be to support councils by providing tools like peer challenge. Respondents also recognised that there are two key areas where the sector needs to work together – developing an ability to compare key performance information and supporting councils that need help.

But respondents were also clear that any tools developed nationally should not be imposed but made available for councils to use them as and when required. This has always been our intention but as the national voice for local government our role means that we want to encourage the sector to make use of these tools as widely as possible.

There are clear expectations from government that the scaling back of inspection also requires the sector to step up and ensure we are providing some light touch self-assurance and more importantly, support where required as early as possible.

The core tools we are making available will be free at the point of use and paid for by councils through the RSG top slice. The more use the sector makes of them the more useful they will be both for individual councils and the sector overall. We will also ensure through brokering and market making that the services councils wish to see developed are made available via the market.

On the specific question we asked about inspection, respondents felt that safeguarding inspections of services to vulnerable children and adults should continue where they are needed – but that there was scope for greater peer challenge in these areas and for inspection to be more proportionate and focussed on outcomes not process. This view aligns with recent government proposals to cease the annual assessments of all children's and adults services by Ofsted and CQC respectively.

Councils also felt scrutiny had a valuable contribution to make to performance improvement and that any approach should look beyond councils' own services to the wider outcomes being achieved. Both these points are reflected in the detailed proposals we will implement in 2011/12.

Finally, there was a strong message that councils want to continue to work with us in developing this approach and some of the specific tools that underpin it. In the next section we set out our overarching proposal for how sector-led improvement should be taken forward. We are determined that it is very light touch. It will focus on sharing good practice and an ability to access peer support. The LG Group will maintain an overview of the performance of the sector in order to identify potential performance challenges and opportunities. However, we will seek to achieve this without creating any additional burdens for individual authorities.

A handwritten signature in black ink that reads "David Parsons". The signature is written in a cursive, flowing style.

Cllr David Parsons CBE
Chairman
LG Group Improvement Programme
Board

Background

Our campaign to reduce the burden of inspection on councils has been successful. We've seen public service agreements (PSAs), the comprehensive area assessment (CAA) and burdens such as the use of resources and organisational assessments abolished over the last few months. At the same time, the government has welcomed the stance taken by the sector to provide more emphasis on self-regulation and improvement.

Councils shouldn't be accountable to inspectors; they are accountable to their residents. Ultimately the electorate hold their councillors and councils accountable through the ballot box. In addition, day in, day out, councillors and councils are engaging with their residents to ensure that they are delivering the high-quality outcomes they expect. From holding councillor surgeries through to formal citizen panels, councils are constantly seeking ways of engaging with their communities and being held more locally accountable for what they do. Now that the burden of bureaucratic accountability and the centrally-imposed national targets have been lifted, they can concentrate even more on listening and engaging with their communities to deliver what they want.

The previous regime of inspectors and government field forces holding councils accountable through inspections, targets, and plans was estimated to cost in excess of £2 billion a year. Clearly this could not continue and the new government is seeking to promote greater local accountability through their drive for greater transparency.

In this paper we set out our approach to how self-regulation and improvement will work in practice. We are not setting out a system that has to be adopted by all parts of the sector and all local authorities (both councils and fire and rescue services). But we do expect that councils will take steps to enhance the way they are held accountable locally. In addition, councils will continue to support each other, particularly through the use of peers. The LG Group will provide approaches to help councils with each of these two objectives and also ensure that inspection does not creep back by keeping an overview of the performance of the sector and the wider regulatory regime in which they operate.

The next sections provide some more detail. The roles and suggestions are not meant to be prescriptive. Choose which ones you wish to use based on what is best for your locality.

The approach set out in this paper will come into effect from April 2011.

Role of individual authorities

At the very heart of our proposals are two key principles which were overwhelmingly endorsed by our recent consultation paper.

1. Local authorities are responsible for their own performance and for leading the delivery of improved outcomes for local people in their area.
2. Local authorities are accountable to their local communities. Stronger accountability through greater transparency helps local people drive further improvement.

Councillors are elected to office with a mandate to deliver particular outcomes for their electorate. More often than not the mandate is set out in their party's manifesto where the public has a right to hold their council accountable for the delivery of these commitments.

How councils go about **strengthening local accountability** will vary from place to place. And we must not forget that councils providing local people with information and engaging with them in many different ways to hold them to account is not something new or that's not routinely done already.

But it is accepted that the lifting of some of the national burdens provides more opportunity to concentrate on the local outcomes that local people have had more of a say in. We expect that councils will continue, where appropriate, to:

- encourage feedback from their residents through a range of channels including councillors' surgeries, satisfaction surveys, complaints, comments and compliments, and mystery shopping
- make use of social media techniques to gather information
- use deliberative techniques such as citizens' juries and participatory budgeting
- consult with the public on proposals that affect them
- publish regular performance information so that the public can understand how well their council is meeting its objectives (eg an annual report)
- publish online all expenditure in line with national requirements in a way that the public can understand
- make use of the role of scrutiny to challenge and improve both council services and those of their partners
- take stock of their own performance and identify areas for improvement and of risk
- make use of opportunities to be challenged by peers
- seek and welcome support from the sector, as and when required
- develop their councillors to fulfil their role in this new environment.

Local authorities also have a **collective responsibility for the performance of the sector**, to collaborate through sharing best practice, and to actively encourage and provide both member and officer peer support. This principle was widely endorsed by the sector, although some of you felt that in the current climate providing peers for others would be harder than in the past. Over the coming year the LG Group will review, develop and implement an organisational development model for the sector to promote and/or incentivise collaboration and sharing expertise.

A key aspect of sector-led regulation and support is that the sector is willing to provide the peers to both challenge and support others. This has been a key strength of the sector in the past and is even more important in the current challenging environment. In addition, the peers themselves are provided with a learning opportunity which we know from experience they find highly rewarding, and use what they have learnt to make improvements in their own authority. Therefore we ask that you commit to continuing to offer the high-quality peers that are required as a way of helping others, but also provide learning for your own authority too.



Role of the Local Government Group

The LG Group is an integrated lobbying and improvement organisation for the sector. Through our lobbying we will continue to campaign for further devolution and for councils to have greater accountability for all public services in their locality. We will also continue to make the case for further reductions in inspection. In particular we will continue to lobby on behalf of the sector for changes to be made to the safeguarding inspection regimes and for a reduction in the burden of reporting to government.

Through our improvement work we will support councils by making available tools for the sector to use, as and when required. We will encourage councils to make use of these as there is strong evidence that they help to drive improvement and provide a means for sharing good practice around the sector so that collectively everyone can benefit.

The key tools we are making available will be **free to councils and fire and rescue services** and we will work with you over the coming months to help shape them. In the responses there was strong support for any proposals to look beyond just councils and take into account the wider area and work with partners. We have already piloted some activities which are relevant across an area as a whole and we will develop these and other tools to provide an area dimension so that you can use them in that way if you want to. Read on to see what those tools are.

1

Local accountability tools

We will work with councils to develop tools to help you focus on enhancing the way you are locally accountable to your citizens and communities. We will strengthen our online guidance to provide a package of support showing how new and existing tools can be brought together to provide regular feedback to local people.

You told us that a key area where councils would like support is to develop with the sector a new local assessment tool that helps you to work with local people, partners and communities to get a shared assessment of current performance. We will make available a web-based version, **free of charge**, which is tailored towards the differences in councils.

We will also work with a number of councils to pilot new ways of gathering information about citizens' views of the services that councils provide in order to help you continue to make improvements that are meeting the needs of citizens and users.

Working with the Centre for Public Scrutiny, we will help you make more effective use of scrutiny as a key tool for challenging performance locally. We will offer, subject to resources and the level of need identified by the sector:

- **free or subsidised** follow-up support from the Centre for Public Scrutiny to authorities where the effectiveness of member challenge to performance is identified as a weakness in a peer challenge
- **free or subsidised access** to wider governance improvement support using the Centre for Public Scrutiny's Accountability Charter and moderated self-assessment
- a programme of **free or subsidised events**, working in partnership with the Centre for Public Scrutiny, to help key local scrutiny chairs and other members develop their skills and capacity to provide effective challenge to performance.

We will also continue to make available products which it is sensible to invest in once nationally, and then provide **free of charge** to the sector such as the YouChoose online budget simulator. This encourages members of the public to consider where council budget cuts should fall, where efficiencies might be made, and where income might be generated.

2

Peer challenge

We are making an offer to all councils to provide, **free of charge**, a peer challenge over the three year period starting in April 2011.

It will be voluntary to have a peer challenge but we know that since April 2007, almost 70 per cent of councils have had a peer challenge. We also know that during the comprehensive performance assessment (CPA) and comprehensive area assessment (CAA) era, councils that had a peer challenge improved their ratings to a greater extent than those that did not.

To deliver on such a significant commitment we need your help. We need you to make available the high-quality peers that are required, particularly leaders, chief executives and senior experts. In order to ensure a cost-effective way of delivering such a commitment we need you or your colleagues to book slots in advance over the coming three year period where you can either give up time to be a peer on a challenge or have a peer challenge.

The focus of the challenge will be worked up with each local authority individually and will be flexible to your needs. However, we expect they will all have some focus on corporate capacity and leadership – because we know these are key factors in council performance and improvement.

In addition, we will continue to offer shorter, sharper more subject-specific challenges. It will not be possible for these to be free but the price will be kept to a minimum.

For more information about peer challenge please contact:

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3

Peer support

We are also offering up to **five days of free member peer support** for all councils undergoing a change of control. Experience shows that providing member peer support to a new political administration in a timely manner is welcomed and of great benefit to the council.

In addition, we will continue to provide high-quality member peers covering a wide range of areas. We are also actively expanding our peer banks to include experts from business, the voluntary sector and other parts of the public sector including, where wanted by councils, civil servants.





Knowledge Hub

We know that councils want to learn from each other but find it difficult to find the time or find the right information. Therefore we are investing on behalf of the sector in a new web-based service that will create a single window to improvement in local government.

It will use Web 2.0 technology and services, and build upon the principles of the current Communities of Practice platform to support networking, collaboration, knowledge sharing and innovation.

It will bring people together in one place online to share ideas, knowledge and information. Users will be able to find peers and experts who share their interests, to help each other and develop how they work. It will be a much more coordinated and dynamic way of using social media.

The Knowledge Hub will launch by April and be fully operational by September 2011. It will be a **free service for the sector**. It will provide “money supermarket” style capability where improvement services can be compared in terms of customer experience and/or range of costs.

5

Data and transparency

There is a clear demand amongst councillors and officers to be able to compare performance with other councils and areas – because it helps you to understand your own information and can act as a spur to increase productivity and optimise outcomes.

Therefore, we are creating a **free of charge** place within the Knowledge Hub for individual councils to lodge and access data in an open source environment to help you to understand your performance and productivity. LG Group Inform will be a new service providing:

- easy access to contextual data of known quality such as demographic and other socio-economic information
- help in getting under the skin of council and service productivity
- an online means to share experience and understanding and find out about best practice
- access to analytic expertise in support
- the creation of individual and tailored council ‘dashboards’ or agreed sets of data to present relevant data locally.

For councils who want the service, it will also provide a facility and structure to share and compare key data for selective, intelligent

comparison with similar (or contrasting) councils.

We suggest that this would have a small core of agreed metrics around cost efficiency and productivity, outcome and achievement, and citizen satisfaction, but with the service offering the ability to go beneath these measures.

Once fully tested and assured by the steering groups from the sector, we will ask all councils to place their data – such as government data returns on performance and cost – on the Knowledge Hub so that it is open to all users. We believe that you should only need to submit data once and in the most efficient way. If you commission benchmarking clubs other than those provided by the LG Group we ask that the data is placed on the Hub and drawn from it by those clubs so that all local government performance, outcome, resident survey and cost data is open source to the public. This will create an effective and value for money means for local government to reach the highest standards of transparency in the public sector.

6

Leadership support

The LG Group will continue to provide development support for political and managerial leaders.

Our Leadership Academy and Leeds Castle programmes have provided development opportunities for hundreds of politicians. We will continue to provide leadership support for our political leaders and we will be making available **one subsidised place for every council for each of the next three years** on one of our main programmes commissioned from the market.



7

Learning and support networks

We will support networks of officers and councillors at national and sub-national levels, working with other sub-national groupings of councils and the relevant professional associations, to share good practice and to provide timely support. We will prioritise our support to areas that you have said are a priority, including children's and adult services.

We will also seek to make use of these networks to inform the wider policy and lobbying role that the LG Group plays on behalf of the sector. The LG Group is committed to sharing costs with council groupings in the interests of ensuring there is no duplication and the best use of councils' and the sector's improvement resources.

LG Group Improvement Programme Board

We all agree that service or council ‘failure’ damages the reputation of the sector as a whole, as well as having an impact on the lives of local people and that we have to find some way of managing this risk – but councils don’t want the LG Group to become some form of sector-owned inspectorate; and we are not going to. Neither will we be able to rule out completely that no council will fall into difficulties in the future. Even the previous regime of inspection and government monitoring couldn’t stop failure completely.

But the damage that can be caused by a failure in just one council can have a huge impact on the rest of the sector. For example high-profile failures in children’s safeguarding have created inspection burdens and difficulties recruiting social workers for you all.

We also believe there is a risk that if we do not take greater collective responsibility for overseeing the performance of the sector, including the release of peers, then inspection and ultimately government intervention will creep back.

Therefore, the LG Group Improvement Programme Board, working with the other programme boards at the LG Group, will maintain an overview of the performance of the sector. We will ensure that this role does not create extra burdens for you.

We will need to work with you to find a light touch way to gather the wealth of information and intelligence that already exists in the sector – in political networks, through sub-national groupings and professional associations – so we are able to share good practice more effectively, to spot potential trends and to identify where things might be beginning to go wrong. We will use that intelligence as a basis for talking with individual councils about possible improvement needs and offering appropriate support. Our ‘Regional Associates’, expanded in number and with new roles, will coordinate this activity for the LG Group.

The LG Group will meet with the remaining regulators and government to receive information about the performance of the sector from their perspective. These meetings will provide the opportunity for local government to reassure central government that sector-led regulation and support is a much more effective way of addressing performance failures.

Role of audit and inspection

Whilst inspection has been scaled back, external audit will continue. We agree that to ensure the integrity of public spending it is necessary for financial audit to continue. We wish to ensure though that this does not become inspection by the back door.

We also remain of the view that inspection should only take place in cases where an individual council, or the sector more widely, agrees that it would be appropriate. Our belief is that often peer challenge is more appropriate. In many cases where inspection is being carried out to dig deeper into known performance issues then it would be even better if sector support was put in place.

Councils accept that inspection of safeguarding should continue for the time being. However, you are also clear that it should be more proportionate and be based on looking at outcomes rather than processes. There was also some support for unannounced rather than programmed inspections. You are keen to make more use of peer challenge and the LG Group will continue to provide support in this area.



Role of central government

Central government will retain powers to intervene but they should be used as a last resort.

Serious corporate failure is very rare in public bodies and we expect any concerns that government have to be raised with the individual local authority and the LG Group, so that sector-led support can be provided where necessary. We believe that this approach is much more preferable than the Secretary of State directing a body to carry out an inspection of an authority.

Government departments should cease to issue Improvement Notices on individual councils and work with the LG Group to support those councils.



Next steps

Self-regulation and improvement is already happening to a large degree and the approach set out builds on this but in a way that does not impose any additional burdens on councils but does reinforce the principle of collective responsibility.

We do not underestimate the challenge of this approach at a time when you are having to make significant savings and take some very difficult decisions on behalf of your communities.

We will work with you over the next few months to refine the tools that the LG Group are making available to ensure that they are what you want and can be adapted where necessary to local circumstances.

We will publish updates on each of the proposed offers over the next few months.



Key roles in the new approach

Local people and communities will hold councils to account by:

- participating in council consultation exercises
- utilising online expenditure information
- utilising published performance information
- attendance and participation in face-to-face and online opportunities to influence the council
- participation in any council self-assessment/scrutiny activities
- challenging elected members/ward councillors, and
- through local elections.

Councils will:

- be responsible for their own performance
 - build strong performance management systems across the council and local partnership
 - share and compare key performance data as appropriate – including best practice
 - take advantage of, as appropriate, the LG Group's support offer
 - citizen engagement and accountability
 - peer challenge
 - peer support
 - offer peer support – and assimilate learning
- be accountable to local people and communities
 - engage local people in priority setting, etc
 - make performance information publicly available in ways that local people can understand and use.

The LG Group will:

- continue to lobby for further reductions in assessment, inspection and reporting
- provide tools for councils to use to strengthen engagement, accountability and performance improvement
- liaise with councils and offer support to those facing challenges
- maintain an overview of the performance of the sector.

Inspectorates will:

- provide external challenge for high-risk areas such as adult and child safeguarding – but reforming their current approach so that it is more risk-based and proportionate
- share concerns about poor performance with the sector to enable improvement support to be offered in advance of any further inspection
- coordinate inspection plans to minimise the burden on individual councils.

Government will:

- minimise their data collection and reporting requirements on councils
- allow the sector to deal with any performance issues facing any particular council before considering any form of intervention.

If you have queries or questions please contact:

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**Local
Government
Group**

The Local Government Group is made up of six organisations which support, promote and improve local government.



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We consider requests on an individual basis.

L11-019

ENVIRONMENT AND HOUSING PROGRAMME: SOURCES OF KNOW-HOW AND SUPPORT FOR COUNCILS

Source	Type of organisation	Members ¹	Officers	Comments
Planning Planning Advisory Service	LG Group (CLG grant funded, not topslice)	Y	Y	Grant funding agreed for 2011-14, on a year by year basis, subject to agreement of governance arrangements and business plan
Planning Officers Society Planning Officers Society Enterprises (trading arm)	Local government professional society.	N	Y	Trading arm (POS Enterprises) providing paid advice (usually from retired council planners)
Royal Town Planning Institute	Professional Institute	Y (Politicians in Planning Network)	Y	Provide publications, training events and website for public and private sector. Do not provide direct support.
Town and Country Planning Association	Thinktank/Lobby Group			Focus on policy papers, briefings and events
CABE	NDPB	Y	Y	Specific focus on design. DCMS funding withdrawn. A significantly scaled down body to merge with Design Council
Planning Aid	Not for profit offshoot of RTPI funded by CLG	Primary focus on support for community groups		Funding withdrawn. Ceases on 31 March unless successful bid for the £3m CLG funding for community support
Housing				
LGID	LG Group (funded by topslice) ²	Y	Y	Small scale programme of peer reviews and free events
LP	LG Group & CLG	y		Support to Capital and Asset Pathfinder projects; Guidance on options and contracting structures relating to joint ventures is currently being produced
LG Regulation	LG Group (top slice)	Y	Y	Specific support for councils' environmental health (including private sector housing), trading standards streetscene and other regulatory services will largely

¹ Y indicates specific activity directed at Members. Of course Members can access materials issued by any of the organisations listed

² CLG funded larger programme 2006-09

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					cease under current LG Group proposals due to major reduction in topslice following spending review. Community of Practice (CoP) on private sector housing discretionary licensing, and on mandatory Houses in Multiple Occupation (HMOs) relicensing
Local Housing Knowledge	LG Group (LGA funded)	Y	Y	Y	Web resource
Chartered Institute of Housing	Professional Institute	N	Y	Y	
HCA	NDPB	N	Y	Y	Closing down knowledge and skills operation. Plans to operate as 'enabler'
TSA	NDPB	Y	Y	Y	Has run knowledge programme, likely to run down as it merges into HCA
Empty Homes Agency	NGO	N	Y	Y	
Empty Homes Network	Web-based practitioner network; mainly council officers	N	Y	Y	
National HMO network	Council officer network	N	Y	Y	
Association of Tenancy Relations Officers	Council officer network	N	Y	Y	
Waste					
Improvement and Efficiency South East.	Hosted by Improvement and Efficiency South East (IESE)	Y	Y	Y	Key partners are: LGA, Waste Watch, WRAP, Envirowise, CIWM, Wastenet, Environmental Sustainability KTN, Defra and CLG.
Waste Information Network (WIN) www.win.org.uk					WIN is a service for all local authority waste officers and members. It aims to provide a one-stop-shop/ portal of information.
Waste and Resources Action Programme (WRAP) www.wrap.org.uk	NGO (government funded)	Y	Y	Y	Support and resources to help councils to deliver high quality recycling services and waste prevention advice.
Environment Agency	Executive Non-	N	Y	Y	The Agency is the regulatory authority for all waste

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www.environment-agency.gov.uk	departmental Public Body				management activities including the licensing of sites such as landfill, incineration and recycling facilities. It also regulates the movement of hazardous wastes and issues permits for waste management sites.
Chartered Institute of Waste Management (CIWM) www.ciwm.co.uk		Y		N (CIWM exists to support waste professionals. However, do have some useful information for member on their website)	The CIWM is the professional body which represents waste professionals working in the wastes management sectors. It sets the professional standards for individuals working in the industry and has various grades of membership determined by education, qualification and experience.
Local Partnerships (funded by Defra)		Y		N	Support to officers, through provision of specialist resource and production of guidance, engaging in procurement of residual waste treatment facilities (including AD) and joint working between WDAs and WCAs
Litter/Enviro-crime					
LG Regulation	LG Group (funded by topslice)	Y		Y	Specific support for councils' environmental health, trading standards streetscene and other regulatory services will largely cease under current LG Group proposals due to major reduction in topslice following spending review (including email bulletins to the National Environment Officer Network – "NEON"). Community of Practice (CoP) on regulatory service issues relevant to 2012 Olympics and Paralympics
Keep Britain Tidy	NGO, significant Defra funding	N		Y	Major reduction in Defra funding over four year spending review period (20% reduction in year 1; 90% reduction by year 4)
Wastematters	Web-based forum providing information and	N		Y	Environment Agency will stop funding at end of March 2011; discussions ongoing to try and ensure information is

	advice on waste crime and enforcement issues; currently supported by Environment Agency but this is due to cease at end of March 2011				not completely lost
Improvement and Efficiency SE (IESE)	Lead Regional Improvement and Efficiency Partnership (RIEP) on waste issues; also cover streetscene/ envirocrime issues as they relate to waste	Y	Y		
Campaign to Protect Rural England (CPRE)	NGO; run a anti-litter and fly-tipping campaign "Stop the Drop"; local CPRE groups work with councils	N	Y		
British Trust for Conservation Volunteers (BTCV)	Local BTCV groups work with councils	N	Y		
Groundwork	Local BTCV groups work with councils	N	Y		
Chartered Institution of Wastes Management (CIWM)	Professional body; focus on waste although does also touch on enviro-crime issues	N	Y		
Carbon reduction					
Note: organisations listed work together through Nottingham Declaration Partnership (co-ordinating group, single website etc). NDP also covers climate adaptation					
LGID	LG Group	Y	Y		A range of support activities: from web-site good practice, community of practice, diagnostic tools, Leadership Academies and councillor workbooks. Awaiting further information on 2011-12 RSG funding allocation.
LP	LG Group	Y	N		Working with Councils in carrying out options appraisals

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Environmental Protection UK	NGO		N	Y	on air quality and on environmental permitting
Chartered Institute of Environmental Health	Professional body		N	Y	Charity/membership org that works on air quality, land quality and noise issues. Provides guidance and carries out lobbying activities. Sets standards and accredits courses, provides training, provides information, evidence and policy advice. Also carries out campaigning. Supports e-mail based discussion forum "EHC-Net"
Environment Agency Local Authority Unit	NDPB		N	Y	Provides technical support to pollution control officers (funded by Defra, SEPA & DoENI)
Local Air Quality Management Helpdesk			N	Y	Advice and support for local authorities by consultants on air quality management. Funded by Defra (continuing)
Low Emission Strategies Partnership	Not-for-profit partnership		N	Y	Based around a group of local authorities working together. Produces guidance and on-the-ground support for projects. Funded by central government grants and match funding from other organisations.
Contaminated Land: Applications in Real Environments (CLAIRE)	Not-for-profit		N	Y	Provides best practice advice and training opportunities to support contaminated land remediation
Institute of Air Quality Management	Professional body		N	Y	Undertakes research, promotes best practice, provides professional development. Membership funded.

Item 5

Compare renewables resource

Purpose

LG Group has developed an online resource and complementary publication for councillors and senior officers on renewable energy. The resource is designed to help councils and community groups understand which low and zero carbon energy opportunities might be right for their area.

Summary

This paper provides an overview of the resource and the work that has been done to promote it with member authorities. LGA members were involved in the development of the resource.

Recommendation

Members are asked to note the launch of this resource and wherever possible to assist in promoting it to member authorities.

Action

Officers to progress as appropriate.

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Compare renewables resource

Background

1. In August 2010 Secretary of State, Chris Huhne MP, announced that the Government would overturn the ban on local authorities selling renewable electricity. Local authorities can now take full advantage of financial incentives such as the feed-in tariffs and the upcoming renewable heat incentive. The move to Zero Carbon development also opens opportunities for local authorities to fund energy schemes. Local authorities are exploring opportunities and starting energy generation projects across the UK. This resource helps them understand their opportunities and how to achieve them by providing examples of good practice across England.

The resource

2. *Compare renewables* provides an overview of eight low and zero carbon energy technologies. It gives high level information on cost, timescales, and available funding to enable authorities to compare energy opportunities. There are 25 local authority and community group case studies to highlight good practice. *Compare renewables* currently sits on the LG Improvement and Development site at www.idea.gov.uk/environment.
3. A complementary publication *Sustainable energy options: How do you choose the right solutions for your area?* (appended to this paper) provides councillors and senior officers with an introduction to energy projects. It includes quotations from councillors in member authorities that are leading on renewable energy projects to highlight the wider benefits of energy projects such as: generating income, job creation, tackling fuel poverty, securing an energy supply and cutting carbon emissions.

Development

4. Research was undertaken through member authority groups, events and a literature review to identify the main challenges to local authorities and communities in unlocking opportunities for energy projects. These include:
 - 4.1 lack of available funding and resources to apply for grants or lever in funding;
 - 4.2 the cost of equipment and infrastructure;
 - 4.3 lack of skills to identify potential energy projects and develop business plans;
 - 4.4 uncertainty of financial incentives in the short and long-term, such as the feed-in tariffs and renewable heat incentive;
 - 4.5 lack of public buy-in and acceptance from businesses, tenants and householders;
 - 4.6 concern and distrust over some technologies and their visual impact;
 - 4.7 the potential to lock people into an energy supply, thereby reducing choice.
5. The resource gives information to overcome these challenges. The case studies show that local authorities can lead in this area. They draw out the barriers and how they

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were overcome, particularly about the business case and funding. They also show that beyond generating revenue, energy schemes have other local benefits.

6. The online resource was developed over a six month period, with periodic user-testing sessions. Councillor and officers peers were invited to attend half-day sessions to review the resource and give critical feedback. This process helps ensure that the resource provides the most relevant information for our member authority audience.
7. Officers across the LG Group contributed to the development of this resource. It links to existing resources such as the EU funding tracker, the Planning Advisory Services and LG Regulation resources on biomass and air quality. Consultants with expertise in renewable energy and planning were procured to provide technical information.

Promotion and events

8. The main launch of *Compare renewables* is at an LG Group event on 14th March. At this one-day event delegates will hear from councils that are leading on energy generation. Sector experts will explain the opportunities and how councils can fund and deliver energy projects. Interactive workshops will explore these opportunities in greater detail.
9. The resource has been promoted at a variety of internal and external events on energy, planning and carbon reduction. Online newsletters, communities of practice, First magazine and press releases have also been used to publicise this resource. Early monitoring of usage on the website suggests that the resource has been well received.

Conclusions and next steps

10. Officers will continue to promote this resource through events and online. Members are asked to assist in promoting it to member authorities wherever possible. Depending on the LG Group's wider work programme in the future financial year, this resource has the potential to continue to grow. It could be complimented with further sub-regional events or workshops in local authorities.

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Sustainable energy options:

How do you choose the right solutions for your area?

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Introduction

Local authorities are exploring opportunities and starting energy generation projects across the UK. With the right to sell electricity and set up energy companies, local authorities can earn money through financial incentives such as the feed-in tariffs and the renewable heat incentive. Renewable energy is an investment opportunity for local government.

Councils can lead energy projects to reduce their residents' energy bills, tackle fuel poverty and create and support local markets and jobs. They can also support community groups or developers to achieve these aims through their own energy projects.

Some strategic energy projects, like district heating schemes, can act as an incentive for development because they will help developers meet new carbon reduction obligations in changes to the Building Regulations. Generating renewable energy can also reduce councils' dependence on volatile energy markets.

This publication is aimed at local authority strategic leaders, specifically: elected members, portfolio holders and senior officers. It looks at examples of councils and communities that are leading on energy generation. It explains what they did to start and fund energy projects and the benefits that these projects have brought to their area.

Information on eight sustainable energy technologies, an introduction to energy planning and all of the case studies in this publication are available on the **Compare renewables** web-based resource.

You can access Compare renewables [here](#)

Section 1: what do I need to know about energy?

As of August 2010, local authorities can sell electricity to the national grid. This has opened up opportunities for councils to generate sustainable energy, cut energy costs, lower resident's fuel bills, create local jobs and reduce carbon emissions.

Sustainable energy can generate income

The biggest barrier to starting energy projects for councils has been finding the initial capital. Funding incentives for renewable energy through the feed-in tariffs (FITs) and the renewable heat incentive (RHI) have helped make schemes viable for local authorities. There is also a variety of grants, loans and incentives that local authorities can use to develop energy projects (a full list is available in the appendix).

The **feed-in tariffs** are for microgeneration (less than five megawatts) renewable energy schemes. The tariffs will be paid for 20 to 25 years, depending on the technology. There are two tariffs: the generation tariff and the

export tariff. This means that you get paid for both the energy you generate, regardless of whether you use it, and the energy that you export back to the national grid.

Councils have looked to the feed-in tariffs to make small scale renewable energy viable in their communities. **Kirklees Council** have installed 60 solar photovoltaic panels at the Croftlands Estate. Tenants are saving between £100 and £150 on their energy bills and the council is paying back their costs through income from the feed-in tariffs.

In a similar scheme, **Birmingham City Council** is installing solar photovoltaic panels on 60 homes that have already had energy efficiency measures. This is a part of the Birmingham Energy Savers programme. The

first phase had an upfront cost of £500,000. This will be paid back in 13 years through the feed-in tariffs income at £40,000 to £50,000 per year. Since the feed-in tariffs are guaranteed for 25 years for solar photovoltaic, Birmingham will earn £480,000 to £600,000 over the remaining 12 years.

The homes included in the **Kirklees** and **Birmingham** schemes had insulation measures first. The Energy Saving Trust estimates that half of the heat loss in a home is through the walls and loft. Insulation reduces carbon emissions by preventing energy waste through heat loss. It also ensures good value for money on renewable energy installations.

The **renewable heat incentive** (RHI) will be launched in June 2011 and is the main funding stream for renewable heat generation. It has superseded the Low Carbon Buildings Program which is now closed to new applicants. Anyone who has installed a renewable heat-producing system after 15th July 2009 will be able to claim RHI from June 2011. As there is no upper limit to the size of the heat equipment eligible under the RHI, schemes may range from individual dwelling or business to community-sized district heating facilities.

Worcestershire County Council has installed ten biomass boilers since 1996. Recently, they installed a new boiler house at a primary school. The heating bill at the school reduced by over fifty per cent. This project was funded through the Low Carbon Buildings Programme. Worcestershire will continue to install wood boilers in schools using the RHI. They estimate that a 100 kilowatt wood-chip boiler would pay back in 17 years without the RHI. With RHI, the payback period would reduce to six years.

“My advice to all my fellow councillors is to speak out about the wasted energy we have thrown away over the last few decades. Let us all take responsibility for our local energy consumption and make sure we adopt real localism on our energy and invest to cut our energy bills by 50 per cent over the next 10 years. That way we will really be able restore spending power and jobs into our localities”.

Councillor Paul Tilsley, Deputy Leader of Birmingham City Council



Sustainable energy can cut fuel bills

Councils are generating renewable energy to cut fuel bills for residents in fuel poverty. A household is in fuel poverty if more than 10 per cent of the householder's income is used on fuel bills. The Coalition Government's Green Deal will replace the Warm Front scheme that addressed fuel poverty. However, the Green Deal will not be targeted at fuel-poor homes. Councils have a key role to play in ensuring that all residents have access to affordable heating and cooling.

Kirklees and **Birmingham** targeted the homes that would benefit most from reduced fuel bills. They ensured that these homes had energy efficiency measures before receiving a solar panel. These homes are now saving between £100 and £200 on their fuel bills annually.

Rural properties off gas mains are particularly susceptible to fuel poverty. **Cornwall Council** worked with their arms-length management organisation, Carrick Housing, to install ground source heat pumps on rural homes. They improved the Standard Assessment Procedure (SAP) ratings of the homes from 70 to 90 by installing the heat pumps and insulation. The ground source heat pumps

“One of the greatest threats to any local economy in the future will be energy supply; both the security and the cost. This means that any reduction in dependency on carbon fuels not only reduces the local footprint but also has a beneficial long-term effect on the local economy. That's why the city of Nottingham is putting so much emphasis on district heating. Better still, it also creates local jobs.”

Councillor Graham Chapman, deputy leader of Nottingham City Council

are cheaper to maintain than the gas boilers that many of these homes were using. Maintenance costs were reduced from £140 per year to £40 - £50 per year.

Another aspect of cutting fuel bills is reducing an area's dependence on centrally-generated energy. Recent media coverage on energy has put an emphasis on the public's vulnerability to rising energy costs. Councils can reduce this vulnerability by investing in large scale renewable energy projects, such as combined heat and power plants and district heating.

The largest district heating system in the UK is in **Nottingham City Council**. The heat is produced in an *energy from waste* (EfW) plant and then sold to an energy services company (ESCo) that is wholly-owned by the council. One of the aims of the council's sustainable energy strategy is to gain energy security, in terms of supply and cost. The district heating system provides affordable heat to nearly 5,000 homes and over 100 businesses.

The **London Borough of Tower Hamlets** has invested in the replacement of an existing district heating scheme that was abandoned in the sixties. The Barkantine combined heat and power (CHP) system supplies heating and hot water to around 500 homes. The

council estimates that around 80 per cent of the residents at Barkantine receive state benefits. The district heating scheme provides them with affordable heating and hot water. Tower Hamlets estimates that each household saves two tonnes of CO2 each year and since 2001 each household has saved approximately £1,000 on fuel bills.

“Retrofit is possibly the area we can make the biggest impact for our residents and in relation to climate change. Retrofit will help to make the cost of living affordable and provide our residents with warm and comfortable homes. Retrofit is also an important driver for the economy and we are proud in Cornwall to have excellent ground source heat pump businesses.”

Councillor Julian German, Cabinet Member representing Roseland (where some of the retrofit has taken place)

“The recent government decision to permit local authorities to sell renewable electricity is a massive opportunity, both financial and environmental. It gives them the chance to build a strong and secure local production capacity that will help to protect the local authority and their taxpayers from future energy crises, as well as making a useful contribution to renewables on a national scale... [It] makes good financial sense too, creating a lucrative new income stream that can be used to finance other energy or environment projects, support core services or keep council tax low.”

Councillor Neil Harrison, assistant executive member for sustainability at Bristol City Council

Sustainable energy can create local jobs

Local authorities can invest in large-scale renewable energy projects strategically. By assessing the opportunities for renewable energy in your area and talking to local businesses, authorities can choose the technologies that will help create local markets and jobs.

Barnsley Metropolitan Council has enabled a small wood-chip supply business to start up by making a commitment to consider biomass for all new and refurbished businesses. The council powers its own depot with wood chips from its parks. They estimate that 180 jobs have been created in their supply chain (not all jobs are in Barnsley). The biomass boilers are used in homes and buildings and reduce the cost of fuel bills.

In a similar project, **Suffolk County Council** has installed 20 wood-fired boilers in schools and offices. Initially, the council was buying pellets from Canada, Ireland and Eastern Europe. By working in partnership with local companies Suffolk developed a supply chain. There are now two Suffolk-based companies making pellets for council supply and delivering to other customers as well. This has created 40 jobs in East Anglia in the wood fuel industry.

Sustainable energy cuts carbon emissions

As the previous examples have shown, councils have led on renewable energy projects for a variety of motivations – cutting fuel bills, earning money and creating jobs are just a few. All of those examples are also cutting carbon emissions.

For councils who are required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme, cutting carbon emissions is a financial imperative. Under CRC, the cost of carbon dioxide emissions has to be paid in full at about £12 a tonne. **Worcestershire County Council** estimates that this will cost them £500,000 - £600,000 per year. About three quarters of their emissions are from their schools estate.

The **London Borough of Islington** is in the process of creating a borough-wide district heating network. They have a target to reduce carbon emissions by 40 per cent by 2020. The network will provide heat to over 700 homes and two leisure centres. It is estimated to reduce carbon emissions by sixty per cent and residents' heating bills by 40 per cent, saving them around £200 a year.

Many local authorities have done studies on where their carbon emissions come from.

“As a politician I have witnessed at first hand the material benefits brought to householders, to council tax payers and tenants – lower costs, less noise and cleanliness.

“Alternative fuel has to be a ‘no brainer’ with fossil fuels in decline, being harder and more costly to reach, not to mention bringing the attendant problems of waste, noise and pollution. But the important point is that this is not an abstract concept or laboratory experiment. Biomass is alive and happening now in our borough and it is mainstream. It is ordinary people, not just the enthusiasts, who embrace it.”

Councillor Stephen Houghton, Leader of Barnsley Council

Housing is usually a very high contributor to emissions in a local authority area. Before renewable energy measures can be installed it is important to ensure that the home or building is energy efficient.

An assessment of **Stockport Metropolitan Borough Council's** carbon footprint showed that housing is the borough's biggest carbon emitter. The majority of the housing stock will need to address energy efficiency measures. Stockport developed a planning policy to require, where reasonable, any retrofit projects to look at energy efficiency measures for the remainder of the house. The applicant would not be required to undertake the measures if it would cost more than 10 per cent of the overall project costs, or take more than seven years to pay for itself in energy savings.

“We have a biomass boiler at County Hall. It's still significantly cheaper than using gas and obviously it's less carbon. Reduction in carbon is necessary for the environment as well as saving money in terms of using less energy. So biomass is, I think, a major way forward, particularly in places like Worcestershire where there is a significant number of trees.”

Councillor Anthony Blagg, Cabinet Member with responsibility for waste and sustainability



Helen Franklin at the Lower Reule anaerobic digestion complex

Section 2: what are my options?

How do you know whether to go for solar panels or district heating? There are many factors to consider – funding eligibility, geographical constraints and opportunities, community acceptance and more. This section outlines how you can assess your renewable energy opportunities and prioritise specific projects in an energy strategy.

Energy opportunities mapping

Energy opportunities maps, or energy maps, are the spatial representation of where sustainable energy is likely to be feasible in an area. They can be used to assess capacity through consultation with the community and developers, to identify deliverable energy projects and when preparing energy strategies and planning policies. Several local authorities have developed these strategies as a part of their planning policy evidence base. They have also been developed at a sub-regional and regional level to understand cross-boundary opportunities.

Energy maps are normally GIS (Geographical Information System) based. They can show information on heat density for district

heating, wind, biomass, solar, hydro, energy from waste and other sustainable energy resources. Information on energy is shown alongside details of existing and future development that could be used to make some strategic energy projects viable.

Stockport is part of the **Association of Greater Manchester Authorities (AGMA)** which recently commissioned a ‘decentralised and zero carbon energy planning study’. Alongside this sub-regional study, Stockport funded a locally specific study of energy opportunities in the borough. The study was deliberately widened from just planning policy evidence to address carbon issues across the council.

The result of the study is a range of policies for the council in relation to energy. The core strategy has an overarching principle on climate change and states that “making and enabling the best use of renewable energy sources is a key objective for the Core Strategy”. More detailed policies are complemented by an energy opportunities plan showing a spatial representation of the area’s potential for sustainable energy.

Having an evidence base of the sustainable energy opportunities in the area means that Stockport is enabling community groups or developers to more easily identify energy projects. The council are looking at doing additional feasibility and viability studies that would be of further assistance to groups that want to implement low carbon development.

The initial costs for these studies are not usually covered by grants so this is a significant contribution from the council in supporting energy projects.

Energy options appraisal

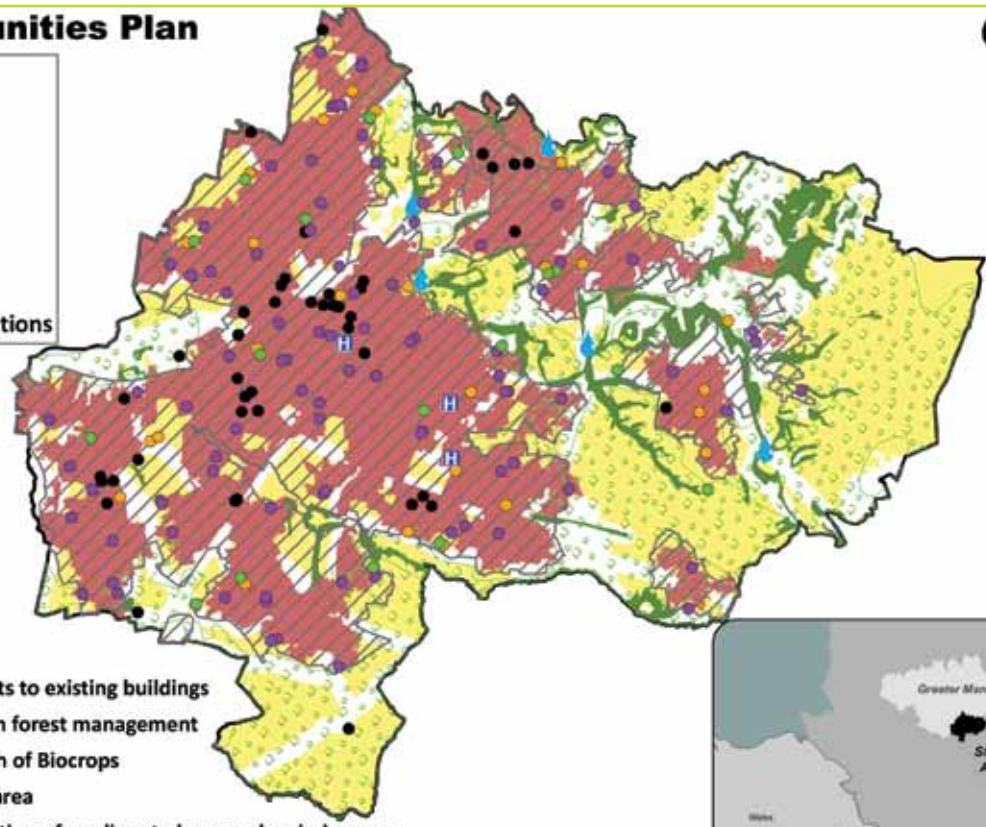
Following on from an energy opportunities map, authorities can start to narrow down their options, identify potential project developers and prioritise projects. For example, the Stockport energy opportunities study identified projects that community or commercial developers may be interested in progressing. The local authority may take an enabling role in some projects and a more active role in others.

An energy options appraisal compares in greater detail some of the energy solutions that come forward in the energy opportunities mapping exercise. It would usually include a ‘business as usual’ case to compare the costs of using traditional energy technologies against the sustainable energy options. An options appraisal allows you to evaluate simple payback periods and the cost-effectiveness of specific energy options. This process broadly assesses the technical and financial feasibility. The detailed work comes at the next stage.

Energy Opportunities Plan



- Legend**
- Primary Schools
 - Secondary Schools
 - H Hospital
 - Recreation Centre
 - Major Employers
 - 💧 Potential Hydro Locations



- ▨ Potential for improvements to existing buildings
- ▨ Potential for Biomass from forest management
- ▨ Potential areas for growth of Biocrops
- Potential district heating area
- ▨ Potential areas for installation of medium to large scale wind energy
- ▭ Stockport boundary



Data Source: Ordnance Survey / ABCOM Stockport District Council / BERR / Natural England

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Energy Opportunities Plan, Stockport Metropolitan Borough Council Core Strategy, June 2010

Technical and financial feasibility studies

After identifying a potential renewable energy project it may be necessary to undertake a feasibility study to determine whether it is technically feasible and financially viable. These more detailed feasibility studies are done by the project developer to assess one technology option. They look at site requirements, development phasing, whole-life costs and revenues, specific technical solutions and more.

The **City of London** undertook a feasibility study for their large-scale community energy system which is made up of a central power station and a district energy network. The natural gas-fuelled power station provides heat and cooling to nine of the city's properties. It was vital to gain a detailed understanding of building energy demands and to carry out a careful economic appraisal at the outset. They found that nearby buildings could act as 'anchor loads' – using high amounts of heat and electricity at different times of the day and night. This had a huge impact on the overall viability of the scheme.

More information on energy mapping, options appraisal and feasibility studies is available on the [Compare renewables](#) web resource, including links to more detailed guidance.

Creating an energy vision and strategy

Once you know what your opportunities are, it is useful to test these with the community and other interested parties. Local authorities can use energy maps to talk to residents, community groups and developers about the potential for local energy projects and to develop a shared energy vision. This helps councils to identify projects that already have local buy-in. These projects can then be prioritised in an energy strategy with a plan for how they will be delivered. An energy strategy can also help guide growth decisions for the future and can be linked to the local development framework.

Nottingham City Council used the Nottingham Energy Strategy to examine every option for low or zero carbon energy in the city. The strategy was developed for the council by the Nottingham Energy Partnership. After assessing the opportunities for low or zero carbon energy, the partnership was able to identify and prioritise investment opportunities.

Nottingham's Energy Strategy's main aims are to tackle fuel poverty, reduce carbon emissions, gain energy security (in terms of price and supply) and prepare for the decline of oil availability. It also outlines how Nottingham's renewable energy generation targets can be met. The energy strategy provides a foundation for Nottingham's sustainable future.

Officers used the energy strategy as evidence to show why Nottingham's district heating scheme was the best sustainable energy option for the city. Councillors needed to be convinced that district heating was a viable project. The energy strategy compares the network proposal to other energy options. It was clear from this analysis that district heating was the fastest and most effective way to increase sustainable energy sources in Nottingham.



Cllr Becket outside the anaerobic digestion unit at Lower Reule

Section 3: what have leading councils learnt from energy projects?

Councils that have already developed sustainable energy projects have learnt ways of improving the process. The lessons from the case studies on the Compare renewables resource are summarised in this section.

Insulation comes first

It's not worth installing renewable energy technologies to heat or power buildings with poor insulation.

The Energy Saving Trust estimates that householders can save £110 to £375 annually from cavity and solid wall insulation respectively. Loft and floor insulation result in similar fuel bill savings. These savings equal or beat all of the figures that this publication showed for householder savings from renewable energy installations. The bottom line is clear, insulation comes first.

The walls at **Howe Dell School** are so thick that mobile phones do not work inside the building in certain places. This means that the money spent on their ground source heat pumps will not be wasted through poor energy efficiency.



A member of Carrick Housing explaining how to use a ground source heat pump in a home

The schools and councils in our case studies that have installed solar photovoltaic panels all said that they are not worth installing without other measures such as:

- loft and cavity wall insulation
- energy-efficient lights and appliances
- communicating the most efficient way to use electricity in the building.

Start small then grow

Sheffield City Council found that very large projects can start small. Sheffield began as a connection between a council incinerator and local flats and has now grown to one of the largest district heating networks in the UK. It has taken decades for the project to reach its current size. By building a strong business case, and delivering consistent value for money, Sheffield found that connections to the network quickly multiplied.

Cover all your bases for planning permission

When councils apply to their own planning committee for permission they cannot appeal the decision. **Bristol City Council** applied to its own planning department for permission to erect two wind turbines on council land. They were very detailed in their research and

preparation. It took three years to get from the original impact assessment to submitting the planning application.

Leicester City Council finds that objections and comments will come in from a wide spectrum of people with regard to a planning application. For its anaerobic digestion plant, Leicester found it helpful to involve third parties like the Environment Agency and Friends of the Earth as well as the planning authority. They recommend encouraging these groups to talk to you about the development.

When **Suffolk County Council** was working on its wood-fired boiler project, they found that it was useful to involve planners from day one. Planners can tell you what information they need, how to present it and how to demonstrate that you've thought through all of the requirements.

Planning services can also help secure funding for renewable energy projects or make sure that new developments connect to schemes. For example, **Nottingham City Council's** planning policy will encourage connections to their district heating scheme from new developments within reach of the extensions.

Think through the funding and renewable energy incentives carefully

Bristol City Council recommends evaluating the impact of retiring renewables obligations certificates (ROCs) and when it may be necessary to do so. Under the current Carbon Reduction Commitment Energy Efficiency Scheme, organisations cannot claim the carbon credits for generating renewable electricity if ROCs or the feed-in tariffs are claimed. Bristol decided to own its wind turbines and claim ROCs as that worked out better financially. But they can retire the ROCs if the balance changes.

Use organisations that you can trust for advice or installation

When Barnsley Council was developing its biomass project it had its own in-house expertise. Barnsley recommends asking these questions of anyone who you might bring in to give you advice:

- How many real schemes have you done other than feasibility studies?
- How many are actually now working sites?
- Can you provide names and addresses of your previous customers?

If they cannot answer those questions satisfactorily, do not use them.

Several local authorities recommended talking to professional networks that offer advice, such as the combined heat and power association (CHPA).

For PV on schools, **Okehampton College** recommends using established companies who have experience working in schools, liaising with staff, and the right sort of public liability insurance. That way, the council will not have to act as an intermediary between the installation company and the school.

“Don’t be lured into doing so-called ‘free’ solar PV schemes. Look at managing and going out to tender yourself for these installations. If you have ‘free’ solar panels on the roof you’re not going to get the revenue from the feed-in tariff. If councils go out to tender and put them in themselves, then they can realise a big revenue benefit. And it can be at no net cost to them as a council, because the payments on the capital borrowing will be met by the feed-in tariff.”

Councillor Andrew Cooper, Kirklees Council

Work out your supply chain at an early stage

For a biomass boiler project, work out your supply chain before you take on a project like this. **Suffolk County Council** also recommends working with suppliers so that they can manage their businesses sustainably. Suffolk found that supply cannot be done on a one-off contract basis or a yearly contract. They always look for guarantees of quality and delivery rather than the lowest cost.

Remember that technologies can be flexible

Officers at the **City of London** know that even large combined heat and power systems are flexible and can adapt to changes in fuel prices and availability. The Corporation's system runs on natural gas and a small amount of oil, but could switch to biogas or other fuels if that becomes a more effective option.

Similarly, **Sheffield City Council** pointed out that district energy networks are adaptable. Some of the buildings connected to their district energy scheme have requested cooling as a further service so their private sector partner, Veolia, is now investigating how it can offer chilling to its customers.

Do a detailed feasibility and economic assessment

The **City of London** project benefited greatly from a detailed understanding of building energy demands and a careful economic appraisal at the outset.

Nottingham's project started with a full assessment of the city's potential that considered all options for low or zero carbon energy generation. This allowed them to properly identify and prioritise the district heating scheme.

Hull City Council pointed out that different renewable technologies suit different types of buildings. They recommend picking the appropriate technology for a site for the right reasons. For example, for ground source heat pumps you must check that the water conditions and ground conditions are suitable.

Work with residents and keep the public informed

When preparing for their district heating scheme, LB Islington found that getting leaseholders on-side early was very important. Officers at Islington also think it is important to make clear to residents that there will be no work done to individual homes.

Leicester City Council kept the public informed about plans for an anaerobic digestion plant. They ensured that the public were made aware of what is going on and what to expect. Throughout the procurement process they:

- publicised all council reports
- gave details of the scheme
- had a road-show around the area where the mechanical ball mill was built
- involved local press and radio
- involved the local tenants' associations.

When it comes to energy from waste, **Newcastle-under-Lyme Borough Council** found that communication is very important. Officers said that residents often think councils collect waste separately but take it all to landfill or incineration. The more you can explain to residents how it is being used and what the benefits are, the more they take part. The council believes that more people may have taken part sooner if there had been more communication.

Similarly, **Cornwall Council** advised others to make sure tenants are given the proper information at the outset. When you are trying to persuade tenants to have a renewable energy system installed on their home (such as heat pumps or solar panels), make sure that you are armed with all the key facts about they fuel bill savings they can make.

Before installing the solar photovoltaic systems, **Kirklees Council** said it was important to get in touch with tenants well in advance to let them know when the installation was going to take place. This allows you to make arrangements for special cases or if tenants are going to be away. The housing association in Kirklees found that in circumstances where tenants were very sick they needed to provide respite care while the installation work was carried out.

Both **Cornwall** and **Hull** found that it was very important to teach residents how to properly use a heating system operated by a ground source heat pump. Show the tenant how to use the system efficiently and then get them to show you. If you do that, you will get more take-up and the tenant will get more out of their heating system. They also suggest providing easy-to-use guides with pictures.

“...It is also in our experience very important to bring the community with you in respect of all the planning issues etc, and to keep them fully aware of all the whys and wherefores of what you’re actually doing.”

Councillor Gwilym Butler, Shropshire Council

More information is available in the [individual case studies](#) on the [Compare renewables website](#).



The Nottingham combined heat and power centre, courtesy of the Nottingham Energy Partnership

Glossary

Anchor load

A large heat load which could connect and potentially provide an early income to a district heating project by purchasing heat.

Biomass

Biomass generally refers to technology that is fuelled by organic material to generate electricity and or heat. Biomass fuels include: energy crops, woody material from the timber industry and forestry, some agricultural residues and waste streams.

Carbon Reduction Commitment (CRC) Energy Efficiency Scheme

A mandatory scheme for large public and private sector organisations that aims to improve energy efficiency and cut carbon dioxide emissions. More information is available on the Department for Energy and Climate Change (DECC) website.

District heating

A system for distributing heat generated in a local centralised location for residential and commercial heating requirements.

Energy from waste (EfW)

Energy from waste produces energy directly through combustion, or produces a combustible fuel through a chemical process. Secondary by-products are often produced which have additional uses.

Energy Services Company (ESCo)

A business providing a broad range of energy and carbon management solutions, including the design and implementation of energy-saving projects, energy conservation, power generation and energy supply.

Feed-in tariffs (FITs)

The tariff provides microgenerators (up to five megawatts) with a guaranteed income for 20 or 25 years for the energy they generate and feed into the electricity grid. More information is available on the DECC website.

Fuel poverty

A household is in fuel poverty if more than 10 per cent of the householder's income is used on fuel bills.

Green Deal

“...a framework to enable private firms to offer consumers energy efficiency improvements to their homes, community spaces and businesses at no upfront cost, and recoup payments through a charge in instalments on the energy bill.” (DECC 2010). More information is available on the DECC website.

Kilowatt (kW)

A unit of power equal to 1,000 watts. A megawatt (MW) is equivalent to 1,000kW.

Renewable heat incentive (RHI)

This incentive has not yet been introduced and the new Government is considering its options. Its launch is planned for June 2011. It has superseded the Low Carbon Buildings Program which is now closed to new applicants. Anyone who has installed a renewable heat producing system after 15th July 2009 will be able to claim RHI from June 2011. As there is no upper limit to the size of the heat equipment eligible under the RHI, schemes may range from individual dwelling or business to community sized district heating facilities.

Solar photovoltaic panels

Photovoltaic cells convert sunlight directly into electricity. PV can be installed on roofs, facades, car parks, railway embankments, vacant land or fields. Small systems are also available for use on street lights and road signs, for example.

Standard Assessment Procedure (SAP)

The Government’s assessment procedure for rating the energy performance of dwellings. It is used to show that a dwelling is compliant with Building Regulations.

Warm Front

This scheme “installs insulation and heating measures up to the value of £3,500, or £6,000 where oil central heating or alternative low carbon technologies are recommended... It is for people on certain disability or income-related benefits.” www.direct.gov.uk 2010

The terms in this [glossary](#) are from the online resource, [Compare renewables](#).

Appendix: grants, loans and incentives for energy projects

	Solar PV	Wind	Hydro	CHP	Energy from waste	District heating	Biomass	Heat pumps
Grants								
<u>Carbon Emissions Reduction Target</u> An obligation on energy suppliers and generators to reduce CO ₂ emissions from households through grants and other offers for energy efficiency and generation technology.		✓	✓	✓	✓		✓	✓
<u>Community Energy Saving Programme (CESP)</u> Funded by energy suppliers and generators up to December 2012. Supports microgeneration in deprived communities on a street or neighbourhood basis – community groups; housing associations; and local authorities.	✓	✓	✓	✓		✓ ¹	✓	✓
<u>Community Sustainable Energy Programme (CSEP)</u> Run by BRE as an award partner of the BIG Lottery Fund. Up to £5,000 or 50% project costs for feasibility studies and microgeneration for community based organisations	✓	✓	✓				✓	✓
<u>Bio-energy Capital Grants Scheme</u> Funded by DECC provides funds for local authorities and communities.				✓	✓	✓	✓	

	Solar PV	Wind	Hydro	CHP	Energy from waste	District heating	Biomass	Heat pumps
Grants (cont)								
<u>Carbon Trust</u> Offers loans and grants to public sector organisations for energy advice, feasibility studies (Design and Strategic Design Advice) and projects (Salix)	✓	✓	✓	✓	✓	✓	✓	✓
<u>EDF Green Fund</u> Grants for feasibility studies (up to £5,000) small scale energy projects (up to £30,000). For local authorities, Registered Social Landlords (RSLs), and community groups.	✓	✓	✓	✓	✓	✓	✓	✓
<u>European Local Energy Assistance (ELENA)</u> Funding from the European Commission and EIB. Up to 90% funding for buildings and infrastructure : feasibility and market studies; business plans; energy audits; contractual arrangements; and other assistance necessary for the development of Investment Programmes.	✓	✓	✓	✓	✓	✓	✓	✓
<u>Regional Improvement and Efficiency Partnerships (RIEPs)</u> Funded by CLG. REIPs aim to support local authorities improve services. Detail will vary by region but could be a source of funding for sustainable energy advice or support rather than for installing the technologies themselves.	✓	✓	✓	✓	✓	✓	✓	✓

	Solar PV	Wind	Hydro	CHP	Energy from waste	District heating	Biomass	Heat pumps
Grants (cont)								
<u>Renewable and Low Carbon Planning Performance Agreement programme</u> Aimed at local planning authorities and their development partners who wish to pursue a PPA for schemes which incorporate renewable technologies and/or a low carbon approach to development. Provides consultancy support . Currently a pilot for 12 schemes below 50MW at pre-application stage.	✓	✓	✓	✓	✓	✓	✓	✓
<u>EU Framework Programme 7 (FP7)</u> Money available to fund demonstration and deployment projects	✓	✓	✓	✓	✓	✓	✓	✓
<u>European Industrial Initiatives</u> Part of the European Strategic Energy Technology Plan (SET-Plan). Provides support for research and innovation where barriers scale of investment and risk can best be managed through collective action: solar, wind, bioenergy, nuclear fission, carbon capture and an EU electricity grid.	✓	✓					✓	
Loans								
<u>Salix Finance</u> Not for profit company providing finance for revolving funds or interest free loans to accelerate investment in energy efficiency technologies across the UK public sector. Designed for smaller projects or as a contribution towards larger projects	✓	✓	✓	✓	✓	✓	✓	✓

	Solar PV	Wind	Hydro	CHP	Energy from waste	District heating	Biomass	Heat pumps
Loans (cont)								
<p><u>Joint European Support for Sustainable Investment in City Areas (JESSICA)</u></p> <p>Developed by European Commission and EIB. This is a more flexible way of using ERDF. Enables member states to establish revolving funds and leverage private finance. Will not be considered as public sector debt. Projects (not just energy) must be part of a development plan. Likely to fund larger projects.</p> <p>UK examples: £100m London; £100m North West; £15m East Midlands.</p>	✓	✓	✓	✓	✓	✓	✓	✓
<p>Debt financing</p> <p>Loans from banks or other financial institutions may be available for all size of project. The Carbon Trust also offers interest free loans from £3,000 to £100,000.</p>	✓	✓	✓	✓	✓	✓	✓	✓
<p>Prudential Borrowing</p> <p>Local authority debt financing from the Public Sector Works Board. Rates of interest are significantly lower than market rates reflecting the financial soundness of most local authorities. Suitable for low risk assets, generally with a value below £20m. District heating is ideal.</p>	✓	✓	✓	✓	✓	✓	✓	✓
<p>Equity financing</p> <p>Finance provided by investors in return for a stake in the project. Suited to larger projects.</p>	✓	✓	✓	✓	✓	✓	✓	✓

	Solar PV	Wind	Hydro	CHP	Energy from waste	District heating	Biomass	Heat pumps
Loans (cont)								
<p><u>European Investment Bank</u></p> <p>The EIB operates as a bank and raises the bulk of its resources on the capital markets on favourable terms, which it passes on to its borrowers. The EIB's shareholders are the EU Member States. It has invested considerable sums in sustainable energy across the EU from micro-finance upwards.</p>	✓	✓	✓	✓	✓	✓	✓	✓
<p>Green Investment Bank</p> <p>£1bn seed funding announced by government in the 2010 spending review. Likely to provide a source of capital funding for sustainable energy projects. From around 2014 borrowers can be local authorities, local banking intermediaries, energy utilities, energy services companies, or public or private corporate investors.</p>	✓	✓	✓	✓	✓	✓	✓	✓
<p><u>Pay as you save (pilot)</u></p> <p>Loan to individual properties for energy efficiency and generation. Repaid over longer period based on utility bill savings. Demonstrates emphasis on loans linked to payments for generation (eg feed-in tariff)</p> <p>EST conducting £4m pilot in Birmingham, Sutton, Sunderland, Stroud, Surrey and Sussex.</p> <p>No technologies are specifically mentioned but likely choices set out here.</p>	✓	✓	✓	✓			✓	✓

	Solar PV	Wind	Hydro	CHP	Energy from waste	District heating	Biomass	Heat pumps
Incentives								
<u>Feed-in tariffs</u> Funded by energy suppliers and generators for renewable electricity projects up to 5MW .	✓	✓	✓	✓ (elec)	✓ (elec)		✓ (elec)	
<u>Renewable heat incentive</u> Funded by energy suppliers and generators for renewable heat projects. It will begin operation in June 2011. Details to be confirmed.				✓	✓	✓		✓
<u>Renewables Obligation</u> The RO is the government's main mechanism for supporting large scale generation of renewable electricity .	✓	✓	✓	✓ ²	✓ ²		✓	

- 1 Connection to district heating networks
- 2 Only biomass elements of the waste are eligible

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The Local Government Group is made up of six organisations which support, promote and improve local government.



Printed on 75 per cent recycled paper.

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We consider requests on an individual basis.

Item 6

Getting Closer – changes to the LG Group

Purpose

To update members on changes in the LG Group over the next two months and their likely implications for the work of the LG Group boards, panels and commissions.

Recommendations

Members are asked to note the contents of the report.

Action

This item is for information.

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Item 6

Getting Closer – changes to the LG Group

Background

1. Since 2008, we have been working to create a more effective LG Group to help support, promote and improve local government and provide coherent national added value to the sector. We have put in place integrated governance arrangements, a group business plan with a clear set of priorities and a single brand.
2. Our priority now is to create an integrated organisation to support this and at the same time to respond rapidly to a substantial decrease in funding from 1 April 2011
 - 2.1 A 38% reduction in top slice funding from government over the next four years, most of which will be put in place from 1 April 2011
 - 2.2 An anticipated 13% reduction in LGA membership subscriptions, with further planned reductions over subsequent years

This requires a radical shaping of our organisation and a substantial reduction in resources, including our staff.

Where are we now?

3. On 4 March the 90 day statutory staff consultation on the future structure and organisation of the LG Group will end. Subject to any final changes, we will be reducing staffing costs across the LG Group by over 45%. Our present estimate is that 144 staff will leave on compulsory redundancy. A further 39 have left or will shortly leave on a voluntary basis.
4. Staff across the Group are going through a rigorous assessment process to secure roles in the new structure. Most will hear by Easter whether they have been successful and the new structure will be in place from 1 June 2011. **Annex A** shows broadly what the new organisation will look like, subject to any final changes.
5. Whilst some of the 274 staff in the new organisation will be remotely based, most will be located in Local Government House. Plans to move all remaining LG Group staff from Layden House to Local Government House are advanced and all moves will be complete by mid May. A commercial tenant has been found for Layden House generating additional income for the LG Group.

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What does it mean for the work of the Group?

6. With significantly fewer staff and less money the LG Group business plan, agreed in January, will be more important than ever, with all activity focussed on the priorities and commitments set out in it. Whilst some areas of activity will be reduced or brought to an end, there will still be significant resources available to support the work of the Boards and Panels on policy development, lobbying and improvement.
7. Where new initiatives and challenges emerge from the sector or from central government, members will need to answer two key questions:-
 - 7.1 Does the sector want us to allocate time/resources to this area?
 - 7.2 If so, is funding available to cover the cost?
 - 7.3 If not, what does it want us to stop in order to reallocate resource to this area?

What happens next?

8. The next 3 months will be a challenge for the LG Group as many staff leave, take on new roles and move offices, and projects that are no longer funded come to an end. The new leaner and more focussed LG Group will be fully operational by July 2011. The new Group Chief Executive will be appointed in July and the three directors later in the summer.

Key messages

9. The aim of the new LG Group is to help support, promote and improve local government and provide coherent national added value to the sector.
10. The LG Group will continue to focus a significant part of its resource on policy development, lobbying and improvement, with a renewed commitment to sector self-improvement
11. The LG Group is reducing its staffing costs by 45% and it's senior management team by 50%
12. The new Chief Executive is expected to be appointed in July and the 3 directors later in the summer.
13. The Group is amalgamating its office based operations into a single building at Local Government House, Westminster.
14. The new organisation will be in place by 1 July.

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Item 7

**Local Government Group and Environment Agency working
together to tackle waste crime**

Purpose of report
For information

Summary

In January 2011 the Local Government Group and Environment Agency co-chaired a multi-agency meeting on tackling waste crime, with a view to identifying opportunities to support each other's approaches and avoiding duplication of effort. This paper provides a summary of the core issues identified at this meeting and outlines the next steps identified to be taken forward by the LG Group and its partners.

Recommendation

Members to note the report

Action

Local Government Group officers to take forward work in this area and provide progress updates to members.

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Item 7

Local Government Group and Environment Agency working together to tackle waste crime

Background

1. From a dumped mattress on a high street to a shipping container in Brazil filled with discarded waste electrical equipment, mismanaged waste has significant local and global impacts. Alongside blighting local landscapes and precipitating the fear of crime amongst residents, waste crime poses a threat to human health and the environment. The current challenging economic environment also makes it increasingly unacceptable for individuals and businesses to ignore their duty of care to manage waste responsibly. Their actions put compliant businesses at a competitive disadvantage whilst leaving council taxpayers and private landowners to foot the clean-up bill.
2. Despite the reasonably well-defined roles and responsibilities of councils and the Environment Agency on regulating waste, and valuable local working arrangements assisting in tackling waste crime, the scale of the problem, and implications for councils, remain significant across three core areas of illegal activity:
 - 2.1 **Waste dumps:** In 2009/10 English councils dealt with nearly a million incidents of fly-tipping at an estimated cost of £45.8 million. In addition the Environment Agency undertook over 1,000 'big, bad and nasty' investigations into large-scale dumps, those involving hazardous waste and/or linked to organised criminal gangs.
 - 2.2 **Waste sites:** On 1st April 2010, 740 waste sites were illegally operating without the appropriate waste exemption or environmental permit from the Environment Agency. Nearly 50% of sites were located within just 50m of 'sensitive receptors' like people, potentially exposing them to noise, odour and other forms of pollution, which result in nuisance complaints to councils.
 - 2.3 **Waste exports:** An estimated 12 million tonnes of waste is exported from the UK each year. The vast majority is legitimately exported, but recent media coverage of this issue reinforces the reputational impact of illegal shipments, and the importance of the local government sector knowing how waste produced and collected by them is disposed of by their contractors.
3. In January 2011, the LG Group and Environment Agency met with officials from Defra, BIS, the Environmental Services Association, Civil Engineering Contractors Association, the Campaign for the Protection of Rural England and National Farmers Union. As well as helping to inform Defra's ongoing Waste Policy Review, discussions identified six interlinked work streams to take forward to tackle waste crime:

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Developing a comprehensive evidence base

4. Whilst the LG Group and Environment Agency have a good appreciation of the scale of the national waste crime problem, both organisations recognised the need to jointly develop a better appreciation of the effectiveness of different interventions and sanctions to prevent and disrupt these illegal activities. Together councils and the Agency have access to a broad suite of powers, which we are keen to see used creatively and the right powers exploited to maximum effect. However there is currently no robust evidence available to identify what works best in different circumstances. This is clearly essential if the two regulators are to work better together and avoid resources being wasted through employing tools that have proven ineffective in the past. **The LG Group and Environment Agency are currently exploring quantitative and qualitative research options to develop this evidence base with the sector.**

Exploring ways of working

5. This research exercise also provides opportunities to identify examples of what constitutes best practice when working in partnership to tackle waste crime. Dissemination of these case studies and information to raise awareness of Environment Agency structures and processes will be valuable to allow councils to drive forward improvements in current working practices at a local level.
6. Nationally, however, the LG Group maintains that more needs to be done to facilitate councils to share intelligence and enforcement data with each other and the Agency. Whilst we recognise that neither local or central government is able to finance a new IT solution to this problem, **the LG Group will continue to explore options with the Agency for relevant data to be included on their internal databases or the Police National Database.**
7. Delivering better outcomes whilst offering better value for money for the public also requires truly innovative, collaborative approaches, as demonstrated through the Total Place pilots. Prototype examples of place-based working in an environmental context are already being explored as part of 'Total Environment', and **the LG Group is working with the Environment Agency to identify small geographic locations where this approach can be applied to tackle waste crime, particularly in relation to the better regulation of waste sites.** A pilot is also being explored to assess how special powers available to the Olympic boroughs could be utilised to crackdown on environmental crime.

Securing effective sanctions

8. Research into the effectiveness of the two regulators' existing powers to tackle waste crime will also help the LG Group and the Environment Agency to identify whether further sanctions are necessary to fill gaps in existing enforcement

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powers. However both organisations identified a number of actions they were already keen to see Defra take forward as part of the Waste Policy Review, including:

- 8.1 introducing vehicle seizure powers;
 - 8.2 exploring the viability of seizing land from prolific waste criminals;
 - 8.3 providing clarification on the impact of being convicted of waste crimes, particularly looking into whether waste carriers can have their waste carriers licence immediately revoked.
9. The LG Group continues to represent the sector as part of Defra's Waste Policy Review and the related Fairer and Better Environmental Enforcement project. The latter may provide scope for broadening the sanctions available to the criminal courts to confiscate equipment, order restitution and remove financial benefit.

Awareness raising and education

10. A number of opportunities were identified to educate different audiences about the impacts of waste crime and their role in preventing it occurring. Defra agreed to consider carefully what more they can do to ensure the public sector take their responsibilities seriously, and **the LG Group will look to provide a briefing to environment portfolio holders in order that councils specifically can ensure they are exercising all due diligence when handling waste**. The Environmental Services Association will also be considering what role they can play in working with waste producers to cut off sources of waste that criminals exploit.
11. With two thirds of the fly tips investigated by councils involving household waste, the LG Group also highlighted the need for Defra to consider improving the waste carriers registration scheme as part of the Waste Policy Review. For example, requiring registered waste carriers to display their waste carriers licence in a similar manner to a road tax disc could assist householders to know whether they are using a genuine, authorised waste carrier to dispose of their waste, and avoid rogue operators.
12. Councils and the Environment Agency continue to be concerned about the proportionality of sentences handed down by magistrates' courts to effectively punish, reform and secure reparations from offenders, alongside protecting the public through deterring future waste crime. The National Fly-tipping Prevention Group (NFTPG) is currently lobbying the Sentencing Council to secure sentencing guidelines on waste crime, and the LG Group and Environment Agency have already contributed a significant body of evidence to support NFTPG in this aim.

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Embedding waste crime within other areas of local government work

13. The LG Group agreed to explore opportunities for the Environment and Housing Board and Safer and Stronger Communities Board to work together to promote the inclusion of waste crime within councils' Community Safety Strategic Assessments.

Interface between waste crime and planning

14. Opportunities to use planning powers in the war against waste crime formed a significant part of the discussions, with the LG Group highlighting that the Localism Bill may offer opportunities to influence planning law on the use of deemed consent and use classes to prevent and disrupt waste crime.

Conclusion and next steps

15. The LG Group has agreed to organise a second multi-agency waste crime meeting in late-May 2011 to report on progress against these actions.

Financial Implications

16. There are no significant financial implications for the LG Group. As the LG Group will not be able to resource a lot of lobbying or advice for councils on waste crime issues in future, our aim is to make best use of the combined resources of this multi-agency group to add value nationally and support the development of local solutions that will allow councils to demonstrate value for money.

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Update on other Board Business

Purpose of report

Members to note the following:

- Inland Flood Risk Management Report – March 2011 **(attached)**
- February and March Chair's Reports to Councillors Forum **(attached)**
- Members' Feedback
- Any other Business

Recommendation

Members to note the reports.

Action

Members are invited to feedback the outcomes of recent Outside Body and other meetings.

Contact officer: Sarah Monaghan

Position: Member Support Officer

Phone no: 020 7664 3214

E-mail: sarah.monaghan@local.gov.uk

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LGA Inland Flood Risk Management Group report March 2011

Introduction

1. The LGA Inland Flood Risk Management Group was set up to advise the Environment and Housing Programme Board on flood risk management issues, particularly in relation to new local authority responsibilities for managing inland flood risk. Most of the provisions in the Flood and Water Management Act 2010, giving significant new powers to unitaries and counties, come into force this April.

Group membership and meetings

2. The Group is chaired by Cllr Mike Haines and consists of 4 Environment Board members (one from each political group); two members from each English region and Wales and a member from LGA's Coastal Issues SIG. It is supported by an Officer Network, chaired by Richard Wills (Lincs CC) and links to a wider network of members and officers.
3. All member representatives are now in place and quarterly meetings have been arranged. The most recent meeting was held on 20 January 2011.

Recent work and recommendations

4. The Inland Group has now completed two major pieces of work:
 - 4.1 LG Group responses to flood risk management consultations on:
 - 4.2 National Flood and Coastal Erosion Risk Management Strategy for England
 - 4.3 Future Funding for Flood and Coastal Erosion Risk Management
 - 4.4 draft statutory guidance for Co-operation between Authorities and requesting Information
 - 4.5 draft statutory guidance on Local Flood Authorities' contribution to sustainable development
5. At recent meetings the Inland Group discussed the consultation proposals with Defra and EA colleagues and then developed their response to these important consultations on behalf of the LG Group. The Board endorsed the Inland Group's recommended responses and these were submitted to EA and Defra on 15 February. The responses are available on the LGA website at:
<http://www.lga.gov.uk/lga/core/page.do?pageld=16941564&path=18370.18281.13892&activeld=16941949>

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Preliminary Framework for the Local Strategy:

6. The Inland Group has developed a work programme of projects to help support LLFAs in their new role and raise the political priority of flood risk management.
7. An Officer Network is assisting the Inland Group by managing the projects. The first project in the work programme – a Framework for the Local Strategy - has now been completed.
8. The Inland Group had identified the need to develop guidance for Lead Local Flood Authorities (LLFAs) to help them undertake a key new duty commencing in April 2011, namely to produce a Local Strategy for Flood Risk Management. There is no official guidance planned by Defra and members considered that informal guidance and case studies were urgently needed by LLFAs.
9. Within a very tight timetable, a project team was set up, a project brief and timetable agreed and work undertaken to draft a Framework document. The aim was to provide information on all the elements that will need to be included in a local strategy, as well as advice and case study examples to help all LLFAs in developing their local strategy.
10. Although the Framework has been developed for LLFAs in England (the Floods legislation and requirements on authorities differ slightly in Wales), advisers from WLGA have been involved in the project and will be able to use the Framework to help inform guidance that WLGA and WAG will develop for Welsh authorities.
11. The project team was assisted by colleagues in EA and Defra.
12. The Framework is now complete and following a recommendation to lead members of the Board from the Inland Group, it has been endorsed by the Board on behalf of the LG Group.
13. The Framework has been published as a living document and is available as a PDF, allowing it to be updated as required. It is available on the LGA website: <http://www.lga.gov.uk/lga/core/page.do?pagelId=18298>

Future Work Programme and meetings

14. The Inland Group has agreed 3 additional projects for the Officers Network to develop work on. Officers have now set up a sub group for each of the work strands, with officers allocated to each. They have prioritised these in the following order:
 - 14.1 Collaboration and joint working to address capacity issues
 - 14.2 Evidence on funding requirements of the lead role
 - 14.3 Promoting a consistent level of service

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15. The next meetings of the Inland FRM Group will take place on 2 June and 28 September. It is planned to open the September meeting to a wider member and officer audience and for this to be the first annual meeting of the Inland Group. The Floods Minister, Richard Benyon, has been invited to attend one of these meetings.

National Partners Group on Flooding

16. The LGA also has a stakeholder group on flooding which meets on the same day as the Inland FRM Group and which many of the Inland Group members also attend. Board members are very welcome to attend the Partners Group to discuss flood issues with key national partners. Please let Sarah Monaghan know if you would like to be invited to future meetings: sarah.monaghan@local.gov.uk .

Cllr Mike Haines, Chair of the LGA Inland Flood Risk Management Group

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**Environment & Housing Programme Board – report from
Cllr Gary Porter – February 2011**

The Localism Bill

1. I gave oral evidence to the newly-formed Localism Bill Committee on 25 January. During the session I laid out the LGA's overarching message - that many of the ideas behind the Bill are to be warmly welcomed, but they have been bound up in red tape and complexity in the drafting, something which was not the intention of Ministers. I also discussed the real financial issues in the Bill, the EU fines clauses and the HRA reforms which need to be looked at urgently by the Committee.

Waste Collection

2. The Board's Vice-Chair, Cllr Clyde Loakes [responded](#) to Bob Neill's letter to Leaders about waste collection at the beginning of January. Cllr Loakes emphasised that reports on councils' performance on waste indicated issues affecting a small number of very local areas in a minority of authorities and urged Ministers strongly to ensure that future public comments on this issue are evidence based and based on constructive dialogue with the sector. Meanwhile the LGA will continue to argue the sector's position with Government through the current review of waste policy, which is being led by Caroline Spelman, and which we welcome. This should be the mechanism through which a sensible and evidence-based national framework for council decision-making on waste as a local service should be agreed. We are very grateful for the advice councils are making to evidencing and arguing our positions, and I would urge you to contact us at any time with your concerns and ideas.

Board Meeting with the National Housing Federation

3. My board colleagues, Mayor Dorothy Thornhill, Cllr Andrew Gravells and Cllr Tony Newman, met with Members of the National Housing Federation on 27 January to discuss the current policy landscape and its implications for housing associations and local authorities. There were many positive discussions about what housing associations and councils can do together at a local level to respond to the opportunities and risks of the rapidly changing policy landscape, and what the NHF and LGA can do together to support their memberships in working effectively together locally, through our influencing activity nationally, and the advice and support we offer our member organisations.

Multi agency waste crime meeting - 26 January

4. Cllr Clyde Loakes, vice-chair of the Environment & Housing Programme Board, jointly chaired a meeting with the Environment Agency, LG Group, Defra and other local authority representatives in Waltham Forest on 26 January. The key outcomes from the meeting were around identifying steps that need to be put in place to ensure most effective use of our collective efforts aimed at preventing and tackling waste crime.

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Royal Town Planning Institute's General Assembly

5. Cllr Mike Haines, Deputy Chair, LG Group Environment & Housing Programme Board, spoke at the Royal Town Planning Institute's General Assembly on the the LG Group view on planning aspects of the localism bill. Cllr Haines stressed that local plans should remain the key documents through which a clear strategic view is set out for each planning authority area, embodying the ideas local people have generated at the neighbourhood level, and reflecting what needs to happen to the physical environment to achieve local sustainable development objectives.

Cllr Mike Haines meeting with Defra Minister Lord Henley

6. Cllr Haines met Lord Henley on 26 January to discuss adaptation to climate change, the waste review and littering from vehicles. Cllr Haines and the Minister agreed on the importance of close dialogue between central and local government to ensure continued priority and progress. On the Waste Review, the Minister acknowledged the contribution of the LG Group and his gratitude for the help it has provided to Defra. On littering from vehicles, where LG Group is keen to close the legal loophole that is hampering councils' ability to tackle this problem, Cllr Haines asked the Minister to clarify Defra's intentions regarding a possible amendment to the Localism Bill. The Minister was not able to confirm yet if the Government would table an amendment to allow councils to be able to prosecute the registered keeper of a vehicle where litter had been seen being thrown from the vehicle. Cllr Haines confirmed that if Government did not table such an amendment, then the LG Group would lobby to get this tabled.

Flood Risk Management

7. I wrote to the Floods Minister Richard Benyon before Christmas to raise members concerns that a new statutory duty on Lead Local Flood Authorities to submit Preliminary Flood Risk Assessments by June had a very challenging timetable and to request flexibility about the deadlines.
8. I am pleased to report that the Minister has listened to our members concerns and has agreed a helpful flexibility on the submission process. The assessments will still need to be submitted by 22nd June, but to avoid rushing the process to ensure Scrutiny Committee sessions and sign off happens before submission, authorities can now, if necessary, submit first but hold Committee sessions and seek approval later. This may be particularly helpful for authorities holding elections in May. We believe this additional flexibility will be useful to authorities and help ensure they have the time to produce the comprehensive assessments they want to deliver.

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**Environment & Housing Programme Board – report from
Cllr Gary Porter – March 2011**

Environment & Housing Programme Board away day

1. On 2 February, Cllr Clyde Loakes co-hosted a meeting with representatives from the LG Group Environment & Housing Programme Board and the Association of Greater Manchester Authorities in Stockport Town Hall. Cllrs Mike Haine and David Smith also attended on behalf of the Board. The event was successful and well-attended by several Members and officers throughout the country. The Greater Manchester Environment Commission shared good practice about what they are doing to make energy and climate part of the wider economic strategy they are developing through their Local Enterprise Partnership, and what they are learning as one of the Local Carbon Framework Pilots. There were productive discussions with Members from around the country about the Group's work, talking to Government about policy, and supporting the sector with know-how and development programmes.

Meetings with regional representatives

2. As part of the Group's commitment to strengthening further the involvement of all interested elected Members in the development of its activities, the Board has decided to get out into the regions to inform the wider membership on the issues we are currently working on and more importantly to seek views on what we should be working on in the future. Board members have been attending regional meetings over the last month (and will continue to throughout the next year) – so far I have attended the South East England Councils meeting on 18 February and Cllr David Smith attended the East Midlands Councils meeting on the same date.

Cllr Haines meeting with the Nappy Alliance

3. Cllr Mike Haines met with representatives of the Nappy Alliance on the 26 January to discuss Defra's review of waste policy, the Decentralisation and Localism Bill and how these will impact on waste prevention with particular reference to re-usable nappies. It was agreed that both sides would continue to keep the other informed of significant policy developments in this area with the possibility of sharing best practise as and when appropriate.

National campaign to reducing litter

4. Councillor Clyde Loakes attended a stakeholder meeting in February to help shape Defra and Keep Britain Tidy's national work focused on litter reduction. Councils in England spent around £860 million last year on clearing up litter. At a time when councils are having to provide vital services with much less money, this more than ever seems an unnecessary expense. A national campaign – "Love Where You Live" – is planned to help change attitudes to and behaviour on littering and it is hoped councils will play a key part. Councillor Loakes emphasised a number of points to help make the campaign as effective as possible such as ensuring that the campaign is relevant to all places including those with high levels of enviro-crime, and forging the right links with broader

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initiatives such as “Community Payback” and “Eco-schools”. The public campaign is planned to go live in the summer.

Meeting with Lord Henley

5. Following Cllr Mike Haines’ meeting with Lord Henley on 26 January to discuss adaptation to climate change, the waste review, littering from vehicles and Sustainable Drainage, Cllr Haines met the Minister again the following week when he visited Dawlish Warren to look at the need to adapt national infrastructure to future climate impacts.
6. The Minister followed up these meetings with a letter. He stressed the key role of local government in embedding adaptation across service delivery and influencing the development of the Government’s National Adaptation Programme. The Minister also stressed the need to build a strong relationship between central and local government and to continue the close dialogue with the LG Group.

Housing Finance Reform conference- seizing the moment - 17 February 2011

7. On 17 February over 60 Members and professionals came together at the LGA one-day conference, *Housing finance reform: seizing the moment*. I gave a speech to delegates on the case for change and the LGA’s campaigning work, informed by member councils, that has been so important in getting us to where we are today. Cllr Porter stressed the need to continue lobbying hard on the Localism Bill to remove some significant government proposals that run counter to the principles of self-financing. The imposition of a borrowing cap, the power to reopen the settlement at a later date, and the continued pooling of 75% of Right to Buy receipts were flagged as key issues that the LGA would be challenging. Delegates were in clear agreement that these issues needed to be addressed.

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Any other business

Revision of the WEEE Directive

Members of the European Parliament voted on February 3 on the revision of the WEEE Directive, supporting the LGA's calls for the extension of producer responsibility to cover kerbside collections. The Council of the European Union - Member States – will likely issue their position on March 14; an **oral update** will be given. It is likely that negotiations will continue to a second reading starting in July with final agreement possible by the end of the year.

Biowaste consultation

The LGA responded at the end of January to the European Commission's consultation on biowaste targets, highlighting that mandatory targets for separate collection should not be forced on councils which are best placed to make decisions on biowaste management. In its response, the UK Government also emphasised that local authorities are best placed to work out the most appropriate recycling options to meet local needs. The European Commission has acknowledged these arguments and will address this issue in its future impact assessment looking at the appropriateness of setting targets.

Cllr Mike Haines meeting with Defra Minister Lord Henley

Following Cllr Haines' meeting with Lord Henley on 26 January to discuss adaptation to climate change, the waste review and littering from vehicles, Cllr Haines received the letter attached as **Appendix A** from Lord Henley which follows up on the work the Government has done to address these issues.

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17 Smith Square
London SW1P 3JR

Telephone 08459 335577
Email helpline@defra.gsi.gov.uk
Website www.defra.gov.uk



Councillor Mike Haines
Deputy Chair
Environment and Housing Programme Board
Local Government Association
Local Government House
Smith Square
London
SW1P 3HZ

5th
February 2011

From Lord Henley
Parliamentary Under Secretary

A handwritten signature in black ink, which appears to read "Lord Henley". The signature is written in a cursive, flowing style.

ADAPTING TO CLIMATE CHANGE

I am writing further to our useful meeting on 26th January and the visit we both made to Dawlish on 28th January. We agreed that, as central government devolves powers and freedoms to local government, local government has an increasingly important role to play in local adaptation – by showing community leadership and embedding adaptation across service delivery and estate management. It will be important to involve local government in the development of the National Adaptation Programme required by the Climate Change Act 2008.

Central government will continue to play its part too in supporting local adaptation, guided by the 'ask' of local government on areas such as evidence, a supportive policy framework, and the provision of advice and support through our delivery bodies where requested.

We agreed that our respective officials should continue their dialogue on forging clarity on how local and central government will work together to support local adaptation action, with a view to making a public statement on this in the near future. I have asked my officials to regularly report back to me on how this is progressing.

I understand that the Roundtable event you chaired on 1st February was extremely successful in communicating the importance of local adaptation and facilitating an open and informative debate between councillors and officers on how to further strengthen local adaptation action.

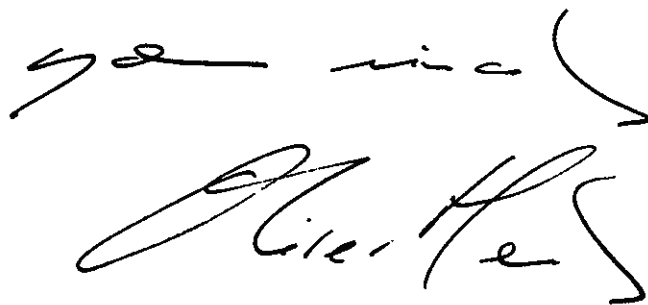
I also understand that one of the key discussion points was the importance of building and promoting a strong and credible economic case for adaptation activity – especially in the current fiscal climate. Work underway within my Department (such as the Adaptation Economic Assessment that will support the National Adaptation Programme), the Adaptation Sub Committee and elsewhere (for example, the Climate Change Partnerships) should yield useful evidence.

I took the opportunity to feed back on our discussion to Lord Krebs when I met him on 1st February. The Adaptation Sub Committee is taking a keen interest in the key role of local government in local adaptation. We discussed the importance of a strong relationship between central and local government, and the Committee is also keen in a continuing dialogue with the LGA.

I also promised to write to you about funding for Sustainable Drainage Systems (SuDS). The provisions in the Flood and Water Management Act 2010, when commenced, will give local authorities responsibility for adopting and maintaining SuDS which have been approved and serve more than one property. In the short term, Defra will fund local authorities for the costs of maintaining adopted SuDS. Funding has been set aside as part of the spending review for this and will be provided through special grants. This will be in addition to the existing formula grant arrangement to all local authorities for flood and coastal erosion risk management and the new area based grant to Lead Local Flood Authorities for the cost of their new roles and responsibilities under the Act.

We are confident that the available funding will be sufficient to cover maintenance of SuDS. SuDS will be approved and built gradually over the first few years of implementation, and therefore we expect initial costs to be low.

Defra is also committed to finding a sustainable mechanism for the long-term funding of SuDS maintenance. There are a number of potential options, including the one preferred by the Local Government Association, which officials are exploring further. We intend to consult later this year on implementing the SuDS provisions in the Act and the potential long-term funding options will be explored further during the consultation.

A handwritten signature in black ink, appearing to read "Lord Henley", with a large, sweeping flourish at the end.

LORD HENLEY

Item 9

Note of decisions taken and actions required

Title: Environment & Housing Programme Board
Date and time: Wednesday 17 November 2010, 11.00am
Venue: The Millbank Room, Local Government House

Attendance

Cllr:

Position	Councillor	Council
Chairman	Gary Porter	South Holland DC
Vice chair	Clyde Loakes	Waltham Forest LB
Deputy chair	Dorothy Thornhill	Watford BC
Deputy chair	Mike Haines	Teignbridge DC
Members	Peter Britcliffe	Hyndburn BC
	Andrew Gravells	Gloucestershire CC/ Gloucester City
	Jason Stacey	Ealing LB
	David Smith	Lichfield DC
	Derek Bateman	Cheshire West & Chester
	Tony Newman	Croydon LB
	Ed Turner	Oxford City
	Berni Turner	Liverpool City
	Paula Baker	Basingstoke & Deane BC
Substitutes	Tim Moore	Liverpool City
	Neil Clarke	Rushcliffe BC
In attendance	Martin Wheatley	LGA
	Clive Harris	LGA
	Piali Das Gupta	LGA
	Clarissa Corbisiero	LGA
	Nick Clack	LG Regulation
	Sarah Monaghan	LGA

Item	Decisions and actions	Action by
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1 LGA/ CLG Housing Commission

The Chair welcomed Lord Richard Best, Chair of the LGA/ CLG Housing Commission to the meeting. Lord Best outlined the purpose of the Commission, which was established by John Healey MP and Baroness Eaton OBE in March 2010 to consider how local authorities can ensure a sufficient supply of homes for their areas.

Lord Best gave a preview of the report's findings and recommendations ahead of publication. He emphasised that many policies which will impact housing provision are bound up with the Government's broader localism agenda.

Lord Best set his recommendations in the context of the wider changes to the benefits system and spending cuts announced by the Government, but stressed that although these would have a significant impact on housing policy, there were still ways in which both central and local government could ensure a sufficient supply of affordable homes. He outlined key ways in which housing provision could increase given the challenges of operating within cuts in funding. In discussion, the following recommendations and comments were made:

- **HRA Reform** – councils must be able to retain the rents and sales from the receipts they collect to enable them to recycle the proceeds in housing provision
- **New Homes Bonus** – some Members saw this as offering significant benefits to councils for house-building, and is an appropriate incentive scheme in the current financial situation.
- **Infrastructure** – it is essential that ways are found to fund infrastructure, particularly tax increment funding, to enable councils to provide necessary housing.
- **Community Infrastructure Levy** and s106 will be important sources of funding for affordable housing and infrastructure, and councils will need to be challenging but realistic in securing them.
- **Partnerships** – LEPs are an opportunity to co-operate on housing, share expertise and build quality

relationships in this financial climate.

- **Private partnerships** – the high transaction costs private sector partnerships are becoming less feasible for councils. There should be a standardisation of contractual terms for partnerships with private companies to continue to utilise their expertise.
- **Rural Housing** – exception sites are an extremely useful but under exploited resource for rural communities.
- **Community Right to Build** – although in principle this is a good idea, there are concerns about how a referendum requiring 75% approval of plans would work in practice.
- There were concerns that the '**Affordable Rent Scheme**' could have extreme effects in London, where the proposed 80% of market rents would in practice mean *the* market rent itself.
- It is essential for local authorities to lead the way on housing provision and encourage further development because if the private sector retreats from development, this will lead to further problems.

The Chair thanked Lord Best for attending.

Members then discussed the LGA's proposed lobbying position on the 'Affordable Rent Scheme'. There were strong opinions both for and against this scheme, and whether the LGA should actively seek the freedom for councils to charge rents at 80% of the market price, but all agreed that it was of great importance that there was a level playing field between councils and housing associations.

Decision

*Members **agreed** that, in response to the Government's announcement that housing associations will be able to charge 80% of market rents on new build and new lets, the LGA's approach should be to lobby for those councils who wish to adopt the same approach, while also probing and challenging how exactly the scheme will work, including such issues as the affordability of the proposed rents in relation to HB limits in high cost areas, the impact on the benefits trap, and the need for councils to work with adjoining councils and housing associations to ensure the right availability and mix of different social rentals in a housing market area.*

Action

- Officers to circulate a set of words which reflects the Programme Board's discussion and decision regarding the LGA's response to the Government's proposals for an 'Affordable Rent Scheme'. Martin Wheatley
- Officers to circulate a note of discussions with senior officials from the Homes and Communities Agency with any details of the Government's plans. Martin Wheatley
- Officers to circulate information on the Right to Buy scheme. Ruth Lucas

2 Spending Review 2010

Piali Das Gupta, LGA, said that there was a limited window of opportunity to influence Government before the Local Government Financial Settlement in December. In discussion, the following points were made:

- Clarification is needed about what process by Defra to inform their decision to cut funding for several PFI projects but not others.
- The consultation on the New Homes Bonus closes before the next meeting of the Environment & Housing Programme Board. However, officers should consult with Members about the LGA response

Decision

*Members **noted** the discussion.*

Action

- Officers to take forward the comments made by Members in lobbying activities. All Officers

3 Housing and Planning influencing programme

Clarissa Corbisiero, Senior Policy Consultant, LGA proposed that this report should be updated and used as a live document, since it would change significantly once the Localism & Decentralisation Bill was published.

Decision

*Members **agreed** the planned influencing activities, subject to the comments made in discussion.*

- Officers to update and circulate the influencing programme document on a monthly basis to housing and planning portfolio holders.
- Officers to incorporate Members views and recommendations into programme.
- Officers to arrange lead Members' meeting to discuss some issues of concern, and develop a strategy for dealing with them.

Clarissa
 Corbisiero/
 Russell Reefer
 Clarissa
 Corbisiero

Sarah
 Monaghan

4 **Defra Waste Review submission**

Martin Wheatley said that there were some key wins and risks for local government in the review. The key wins were that Ministers have recognised that municipal waste needs to be considered alongside commercial and industrial waste. The LGA is also on the inside track with Government officers who will carry out the review. However, alongside the cuts to several PFI projects, some key risks were also identified, such as the possibility of setting alternate week collections for councils. The LG Group has communicated to government that this goes against the principle behind the localism agenda and should be reconsidered.

Members endorsed the submission and suggested that lobbying work should continue to raise these issues with Government. In particular, Members suggested that there should be more joined up thinking between Defra and DECC around waste infrastructure energy opportunities.

Decision

Members noted the report.

Action

- Officers to continue to lobby Government on the key issues for councils in the waste review.

Martin
 Wheatley/ Clive
 Harris

5 **Local Government Group support for councils on tackling litter**

Nick Clack, Team Leader, Local Government Regulation, introduced this report which provides an update on the progress

made in the national campaign to reduce litter, and highlights significant outstanding issues.

Members discussed the difficulties of prioritising tackling litter given the extremely difficult financial situation for local government. However, as this remains a key concern for most local residents, this issue should not be sidelined and Members endorsed the general approach outlined in the report. It was suggested that local government should concentrate resources into making legislation in this area simpler and easier to enforce.

Members also suggested that the LG Group should lobby to change legislation so that the owner of the vehicle is liable for any litter dropping.

Decision

Members:

endorsed the lobbying approach generally, subject to the recommendations made in discussion
agreed to be represented on the 'Litter Convention' by Cllr Clyde Loakes.

Action

- Officers to take forward work in this area based on steer provided by Members. Nick Clack

6 Update on other Board Business

Members noted the open event to be hosted with Somerset County Council on energy generation and climate change on 12 January. This should be attended by one Member from each political group and chaired by a lead member.

Cllr Paula Baker updated Members on ongoing European and International work, and suggested that regular updates should be fed back to the Board since her appointment to the European and International Programme Board.

Decision

Members noted the updates.

Action

- Officers to circulate further details of the 12 January event.

Clive Harris/
Sarah
Monaghan

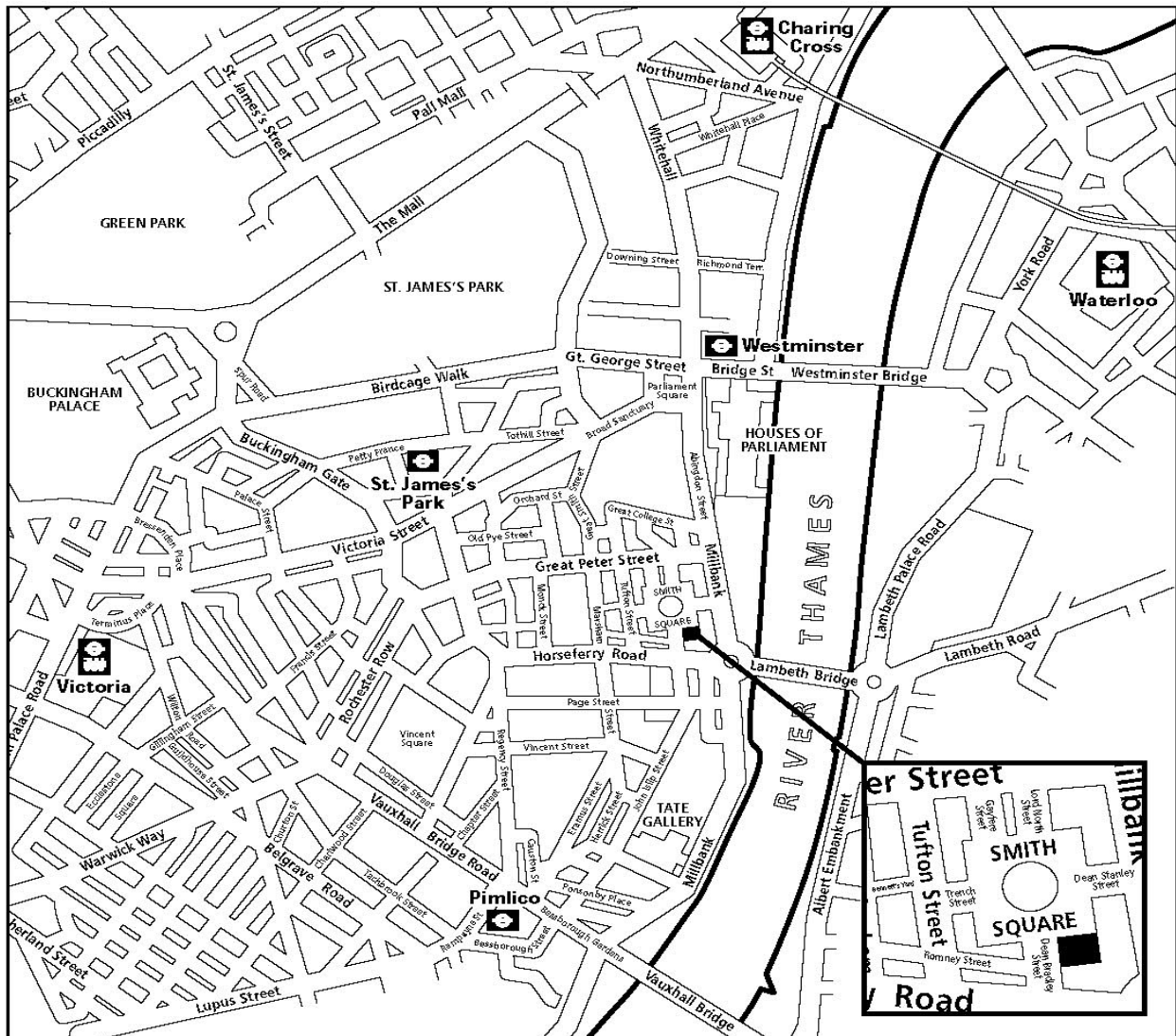
7 **Note of the last meeting**

Decision

Members **agreed** the note of the last meeting.

Date of open event in Somerset: 12 January 2010

Date of the next **full Programme Board meeting**: 16 March
2010



Local Government Association

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Website: www.lga.gov.uk

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Local Government House is well served by public transport. The nearest mainline stations are; **Victoria** and **Waterloo**; the local underground stations are **St James's Park** (District and Circle Lines); **Westminster** (District, Circle and Jubilee Lines); and **Pimlico** (Victoria Line), all about 10 minutes walk away. Buses **3** and **87** travel along **Millbank**, and the **507** between Victoria and Waterloo goes close by at the end of **Dean Bradley Street**.

Bus routes - Millbank

- 87** Wandsworth - Aldwych **N87**
- 3** Crystal Palace - Brixton - Oxford Circus

Bus routes - Horseferry Road

- 507** Waterloo - Victoria
- C10** Elephant and Castle - Pimlico - Clapham Common
- 88** Camden Town - Whitehall - Westminster - Pimlico - Clapham Common

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Great College Street
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Horseferry Road/Arneway Street