

Update on the new Nottingham Declaration and the Green Deal

Purpose of report

For discussion

Summary

The Board requested that an update report be provided at their next meeting on the Memorandum of Understanding (MOU) with the Department of Energy and Climate Change (DECC), the development of a new Nottingham Declaration and the progress on the Green Deal.

Recommendations

1. That the LGA responds corporately to the Green Deal consultation.
2. Officers to continue to keep the board updated on progress against the MoU.

Action

Officers will take forward any actions agreed by the Board.

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Update: the Memorandum of Understanding, the new Nottingham Declaration and the Green Deal

Background

1. At the Environment and Housing Board meeting held on 14 September 2011, the issue of the Memorandum of Understanding on Climate Change was discussed, as well as the new Nottingham Declaration and the Green Deal. Members of the Board requested that officers update them on progress at the next meeting.
2. The Memorandum of Understanding (MOU) was signed by the Local Government Association and the Department for Energy and Climate Change (DECC) on 15 March 2011. The aim of the MOU is to enable a better working relationship between the LGA and DECC, to enable better policy decisions that work for the sector, and to create a voluntary framework for councils to express their ambition on tackling climate change.
3. The MOU includes a commitment to refresh the Nottingham Declaration. The Nottingham Declaration was launched by Nottingham City Council in 2000, and has been signed by over 90% of councils. It is an example of a sector-led approach to committing to an issue that has been identified as a local priority for the council, without the need for central government targets or duties. The aim is to build on this sector-led voluntary approach to make it relevant for councils acting on climate change in 2011 and beyond.
4. Part of the proposed content of the Nottingham Declaration includes local action on the 'Green Deal'. The Green Deal is the Government's flagship environmental programme, designed to enable them to meet the Climate Change Act 2008. It is a new funding mechanism whereby the energy bill payer of a domestic or commercial property agrees to a long-term payment on their energy bill in exchange for improvement works to their home or property to reduce the amount of energy the property wastes. The improvement work should result in an energy bill saving that is greater than the payment, resulting in an overall reduction in cost for the bill-payer.

The issues

5. The Memorandum of Understanding (MoU)

- 5.1 The MoU continues to have ministerial and senior official level support.
- 5.2 However, the recent announcements on the feed-in tariffs demonstrate that we still have some work to do to hold DECC to account on their contribution to the MoU. More information the changes to the feed-in tariffs is attached.
- 5.3 We are gaining more traction on securing funding to assist with the delivery of the MOU, particularly the new Nottingham Declaration.
- 5.4 DECC have indicated that they are willing to negotiate with members of the energy industry to create a fund to help create and maintain the improvement and supporting structures for the new Nottingham Declaration. Negotiations on this are continuing.
- 5.5 We have written to the Secretary of State for the DECC to secure a meeting with the Chairman of the Environment and Housing Board, and are still awaiting a confirmed date. Officers have been chasing for a date for this meeting.

6. The new Nottingham Declaration

- 6.1 The consultation on the new Nottingham Declaration has closed, with around 50% of councils responding either individually or as part of a consortium. The results show that councils are supportive of a new 'declaration'. In particular:
 - 6.1.1 Councils want the declaration to be coupled with benchmarking, sharing good practice, information and data.
 - 6.1.2 Councils want flexibility and the ability to pick and choose targets and actions that are locally relevant.
 - 6.1.3 Councils are willing to share their progress with other councils, their communities and central government.
- 6.2 A special meeting was held on 1 November 2011 to review the results of the Nottingham Declaration Consultation. A number of key decisions were discussed and taken forward. This includes rebranding the declaration to be more locally relevant.

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- 6.3 A working group of the LGA and councils will be developing the new declaration further for a meeting of the Declaration Board in January. The aim is to launch a full new declaration in March 2012.
- 6.4 The LGA is getting funding from the Environment Agency to enable it to begin developing the supporting framework for the Declaration, and we are in discussions with DECC about sourcing additional funding.

7. The Green Deal

- 7.1 We have continued to apply pressure to DECC, alongside the National Housing Federation, to allow social housing tenants to be eligible for the 'affordable warmth' element of the new Energy Company Obligation, helping to tackle fuel poverty.
- 7.2 As a result of this pressure, DECC are no longer asking for social housing providers to 'pledge' their housing stock in advance of the Green Deal consultation. It was clear that councils and social housing providers did not feel in a position to pledge to the Green Deal before they knew how the scheme would work for their tenants.
- 7.3 Cllr Parsons wrote to Greg Barker as agreed at the previous Board meeting, and the response is attached.
- 7.4 Unfortunately, the consultation on the Green Deal, which was due to be released before the end of October, has been delayed. Officials are not currently able to give us an indication of when it will be released. In the meantime, we are continuing to engage with officials on the design of the Green Deal and the accessibility of the Energy Company Obligation.
- 7.5 The minister Greg Barker has announced that councils will be required to set out how they are going to support the Green Deal, and will have to undertake some form of monitoring of uptake of the Green Deal in their local area. This is a result of the new Home Energy Conservation Act (HECA) statutory guidance, which will be published for the new financial year.
- 7.6 We are working closely with DECC and DCLG to influence the development of the statutory guidance to minimise the burden on councils.

Conclusion and next steps

8. The LGA will respond to the Green Deal consultation in due course and will continue to liaise closely with DECC, to help them develop a programme that is fit for purpose and that can be supported by councils. This includes minimising the burden on councils of any new reporting requirement on the Green Deal.
9. Officers will continue to develop the new Nottingham Declaration in association with councils and through the new Declaration Board.
10. Officers will continue to negotiate with DECC over the securing of funds to support the MOU and the new Nottingham Declaration.

Financial Implications

11. There are no financial implications arising from this report.