

**Local Government Association position statement on the EU draft Energy
Efficiency Directive**
14 October 2011

Introduction

1. The Local Government Association (LGA) is here to support, promote and improve local government. We will fight local government's corner and support councils through challenging times by making the case for greater devolution, helping councils tackle their challenges and assisting them to deliver better value for money services.¹
2. The purpose of the draft EU Energy Efficiency Directive² is to oblige Member States to take additional steps towards the achieving the 20 per cent energy saving target (i.e. a 20% reduction in energy use compared to projections) which the EU set itself to achieve by 2020. This is based on the European Commission estimate that the current level of measures being implemented by Member States will only meet half of the target.
3. The LGA welcomes in principle the priority given by the draft Directive to increasing energy efficiency and recognition of the important role local authorities have in helping to deliver this. Energy efficiency and energy saving represent the most cost effective means of addressing climate change and have a positive effect on local job creation.
4. However, the LGA is conscious of the implications for local authorities of the content of the draft Directive. **These principally concern targets for the renovation of public buildings and the promotion of energy efficiency through public procurement.** The LGA is also concerned at the **administrative burdens that are imposed by the Directive**, including regular statistical reports and evaluations, and the need to monitor the energy performance of contractors.
5. This position statement summarises the LGA policy position in response to the publication of the draft directive and has been agreed by the LGA's Environment and Housing Programme Board. The Environment and Housing Programme Board has responsibility for LGA activity concerning energy and climate change.

Renovation target for public buildings

6. Article 4 of the draft Directive requires public bodies including local authorities, from 1 January 2014, to renovate 3 per cent of the total floor area of the buildings they own over 250m² annually. Renovation must meet at least the minimum energy performance requirements set in current building regulations. Local authorities would also have to contribute towards a publicly available inventory of buildings owned by public bodies detailing the energy performance of each building.
7. The LGA recognises that improvements in the energy efficiency of buildings through renovation represent a cost effective means of reducing carbon dioxide emissions. However a mandatory annual target as currently defined on all publicly owned buildings

¹ Visit www.local.gov.uk

² http://ec.europa.eu/energy/efficiency/eed/doc/2011_directive/com_2011_0370_en.pdf

represents an inflexible and impractical means of achieving the ends sought. **The achievement of such a target by local authorities will only be possible if the objective is matched by equivalent financial resources via structural funds (such as European Regional Development Funds), other public finance, or via specific targeting of revenue raised through the UK Energy Company Obligation (referred to at the EU scale in Article 6).**

8. In the UK a number of initiatives are already pushing local authorities to achieve improvements in energy efficiency in their existing building stock such as the Carbon Reduction Commitment and forthcoming Green Deal. In addition and through their own prioritisation many local authorities have been making considerable strides in increasing the energy efficiency of their buildings. Currently however none have a comprehensive programme of bringing all of their existing buildings up to the minimum level for energy efficiency in current Building Regulations.
9. Because the overarching measure for the achievement of the EU 20% energy saving target is the overall reduction of energy use by sector, a more flexible approach is suggested. **This should focus on energy use reduction rather than simply renovation.** This would recognise, for example, the value of improved heating and cooling plant configuration and maintenance, as well as the positive impact of energy awareness raising and behaviour change initiatives with building users.
10. **The focus on publicly owned buildings should be clarified.** Because the ownership and operation of education establishments and social housing varies between local authority and other providers, thought should be given to a consistent application of targets to avoid a two tier outcome. In particular on social housing there are restrictions to the ability of local authorities to invest in social housing. Local authorities as with other providers in the UK don't have the power to raise local taxation for investment in social housing. While changes are forthcoming to the way social housing is financed a consistent principle remains that local taxpayers cannot foot the bill for renovation costs. **A binding target for renovation that includes education establishments and social housing should therefore only be applied if funds are made available to fully fund the expected work (as referred to in paragraph 7).**
11. Finally, **the draft Directive should seek to align its data input requirements for the publicly available inventory with those currently in use** (for example the revised National Indicator 185 and Carbon Reduction Commitment where applicable) in order to avoid new reporting burden on local authorities.

Promotion of energy efficiency through public procurement

12. Article 5 of the draft Directive would require public bodies to meet high energy efficiency standards when procuring energy-using works, products or services. These include IT equipment, tyres, and services from third-party providers, and the purchase or rent of buildings.
13. The LGA recognises the important role of public procurement in demonstrating leadership but does not support the imposition of mandatory requirements. The draft Directive will need to strike a balance between seeking ambitious levels of energy efficiency and value for money principles. **As a general position on equity, local taxpayers should not be expected to foot the bill for helping to develop the market in highly energy efficient**

works, products or services. Where possible an even hand should be demonstrated with equivalent expectations made of manufacturers as end users.

14. On a practical note the draft Directive should recognise that for local authorities a significant proportion of purchasing decisions are made by contractors. Local authorities can specify that energy efficiency expectations are met by contractors and their suppliers in future contracts. **However they may face limitations in their ability to change expectations within existing contracts.**
15. Local authorities use a number of criteria in the choice of buildings to rent beyond energy efficiency factors including location, configuration and capacity. With these considerations in mind **it will not always possible to find an appropriate building to fulfil all requirements in some places before the market in high energy efficiency rental buildings reaches sufficient maturity.**
16. The LGA suggests therefore that this part of **the draft Directive would be most appropriately focused on providing guidance for local authorities on the value of energy efficient products rather than imposing compulsory criteria.**

Key contact

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Links

Full draft Energy Efficiency Directive text from the European Commission:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0370:FIN:EN:PDF>