

Note of decisions taken and actions required

Title: Environment & Housing Programme Board

Date and time: 11am, Wednesday 11 January 2012

Venue: Local Government House, Smith Square, London

Attendance:

Position	Councillor	Council
Chairman	David Parsons CBE	Leicestershire CC
Vice chair	Clyde Loakes	Waltham Forest LB
Deputy chair	Keith House	Eastleigh BC
Deputy chair	Andrew Cooper	Kirklees MBC
Members	Frances Roden	Stroud DC
	Eddy Poll	Lincolnshire CC
	Tony Newman	Croydon LB
	Ed Turner	Oxford City
	Tim Moore	Liverpool City
	Tracey Simpson-Laing	City of York
	Terry Stacy JP MBE	Islington LB
	Andrew Gravells	Gloucestershire CC/Gloucester City
	Simon Galton	Leicestershire CC
	Mike Jones	Cheshire West and Chester Council
	Clare Whelan	Lambeth LB
Apologies	Chris Hayward (substitute)	Three Rivers DC
In attendance	Cllr Richard Williams (substitute)	Southampton City Council
	Cllr Paul Bettison	Bracknell Forest DC
	Ian Hughes	LGA
	Abigail Burrridge	LGA
	Clarissa Corbisiero	LGA
	Dan McCartney	LGA
	Liam Paul	LGA

Item	Decisions and actions	Action by
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1 Current Issues on Waste

The Chairman welcomed Cllr Bettison (Leader, Bracknell Forest Council), Dr David Greenfield, (Director, Waste Resources, iESE), John Skidmore (Vice President [CIWM] and Steve Lee (Chief Executive Officer, Chartered Institute of Waste Management [CIWM]) who gave presentations to the meeting.

Cllr Bettison began by giving a brief update on the status of iESE, a former regional improvement and efficiency partnership (RIEP). iESE is now in the process of becoming a (non-political) mutual organisation jointly owned by local authorities, and no longer received central government funding. He stated that RIEPs had been given an initial target of delivering a return on investment of £3 per every £1 spent, but had actually delivered a saving closer to £5 per every £1 spent.

As a local Councillor and as iESE's Chairman he foresaw two major challenges in the waste arena: to continue to deliver much-needed efficiency savings; and to take advantage of the localism agenda.

Cllr Bettison urged members of the board to ensure that real, early and local engagement was carried out with communities. This would achieve locally derived and locally accepted waste policies and services. He concluded his presentation by reminding Board members of the £1.1bn year-in-year savings necessary from council's waste budgets countrywide.

David Greenfield then elaborated on iESE's belief that waste services should be treated like a business. Sector-led improvement, through knowledge sharing and often focused on procurement, was a key way to help councils achieve their waste policy aims and save money.

He highlighted the £2.6million savings achieved by Dorset's Waste Partnership as a leading example of how successful waste partnerships could be, whilst reminding Board members of the sovereignty issues which were often were a source of difficulty when adopting a partnership approach.

Current projects included a Waste Partnership Routemap (being developed with DEFRA), and a waste procurement framework for councils in the south east and the west midlands, which would help simplify procurement and make savings.

Steve Lee, of the Chartered Institute of Waste Management (CIWM) gave an introduction to his organisation of over 7000

individuals. Members fell mostly into the following categories, each of which account for around 25% of total membership: Waste professionals working in the private sector; waste consultants; resource/waste managers in the public sector.

Steve explained that waste is currently the third biggest expenditure for local authorities across the country and his organisation was focused on putting waste to use – through new thinking and efficient systems which treat waste as a resource. He believed waste will continue to be a 'hot topic' for councils in future years, and public scrutiny of council's decision-making and waste strategies will increase.

He offered the LGA a stage at CIWM's annual conference and exhibition, as part of a developing partnership between the organisation and local government which he hoped would offer CIWM's technical expertise, new ways of working, and capacity building to the sector.

In response the Board members concurred on a number of points:

- Local councils recognised the opportunities to improve efficiency and that local government must demonstrate its leadership and competency to improve waste services and share success and best practice.
- CIWM, iESE and WRAP were among the organisations recognised as experts in this field.
- The already strong political awareness of local government's concerns regarding waste should be reflected in upcoming legislation.
- Arrangements for the disposal of organic waste, on a weekly basis, if required by the local authority, remain a high priority for LGA member councils.
- A feeling that councils with areas of high density housing faced particular waste challenges
- Councils should retain the flexibility to choose the best method of recycling for their area – rather than have a single method imposed upon them – with potentially large conversion costs and negative impacts on recycling rates.
- Government needs to make clear whether all councils are eligible for the £250million fund, or simply those who currently do not have weekly collections of waste. The Government should also make clear the limits/scope of the funding available under the offer.

The following issues were also raised by some board members:

- Recognition that local councils could charge higher prices for high-quality recycle, which could in turn

- reduce costs.
- The waste minimisation agenda should not be forgotten.
- Keeping local environs safe and clean through waste enforcement remains a key issue and should be added to the LGA waste priorities for 2012/13.

Decisions

1. Members **noted** the discussion.
2. Members **noted** the invitation from the CIWM to attend their September conference.
3. Members **agreed** that the LGA, with active involvement of Chair, to play a co-ordination role on a support offer to ensure successful delivery of the £250m weekly collection fund.

Actions

Dan McCartney

- Officers to liaise with counterparts in DCLG and the Chair of the Board to develop a support offer to ensure the successful delivery of the £250m weekly collection fund.
- On legal issues, the LGA is to keep members informed and to apply as much pressure as possible to ensure DEFRA's revision of regulations does not add new burdens on councils.

2 The Green Deal and Feed-in-Tariffs (FITs)

(Please note: at the Chairman's discretion this item was considered first at the meeting, due to the availability of key speakers)

The Chairman welcomed **Charles Philips**, (Head of the Energy Company Obligation Team, DECC) and **Rachel Solomon-Williams**, (Head of Feed-in Tariff Review, DECC) to the meeting.

Feed-in Tariffs (FITs)

Rachel Solomon-Williams began by explaining that the Department for Energy and Climate Change (DECC), would publish plans for the future of the Solar Industry by the end of January if the department's current appeal against the High Court's decision is successful. The Phase 1 Comprehensive Review of the Feed-in Tariffs (FITs) for Solar consultation sought to halve the tariff for solar installations, with the 12 December 2011 implementation date, earlier than the end date of the consultation. This element of the consultation was deemed not legal by the High Court.

Rachel explained that the minister's vision was for a sustainable future for the Solar industry in Britain. This would involve a move towards a competitive industry without large scale government subsidy. She added that should the government lose the Judicial Review, the level of the Feed-in-Tariffs for solar energy would remain as it is until the 1st March 2012, and it was likely this would trigger high uptake of the scheme in the interim period, and this could lead to the closure of the scheme.

Members were told of a future consultation document which would focus on the definition of community projects: for example whether the definition would include organisations with a certain status / function and/or organisations which were groups of people. The aim of the consultation was to establish ways of helping community groups via higher tariffs and / or other measures, but this would also require a trade-off with other priorities to find funding.

In discussion, members raised strong concerns regarding the effect of the consultation on DECC's reputation and in particular in local government and other partners' confidence in its decision-making. The following key points were made:

- The FITs scheme had been a great success initially, but the problem for Council's was forward planning.
- DECC should be aware of the damage that the mishandling of the consultation on the FITs had done to its reputation.
- Any similar lack of clarity and consistency would limit take-up by local government of future DECC schemes.
- The consultation and subsequent decision-making lacked due consideration of the investments council's had made in projects underway / in planning which then had to be cancelled.
- Insufficient attention was paid to the potential economic / industrial benefits of the scheme.
- Members wished to see a clear ambition for the Photovoltaic (PV) / Solar sector in the UK.
- There was broad agreement that the Programme Board would still like the appropriate minister to attend a meeting of the board to discuss the matter further.

By way of reply Rachel Solomon Williams explained that the government had a moral duty to keep energy bills low. She also drew attention to the disparity between the tariffs for offshore wind (9p per unit) and Solar power (43p per unit).

Rachel also agreed that more clarity and certainty for local government was required in future and to avoid the reputational damage suffered by DECC. Ministers had been mindful of the impact of the decision but the financial imperatives made it unavoidable – the department and its politicians were committed

to Solar power, but the decision to reduce the tariff was determined by budgetary provision.

It was argued that the existing design of the scheme was not set-up to be flexible and rendered the Government unable to respond / adjust as Solar energy costs fall. Any future cost control mechanism would give the requisite flexibility and would be transparent.

Furthermore, it was stressed that should DECC win its legal challenge it would look for a way forward based on the comments received in the consultation.

Green Deal

Charles Philips began his presentation by reminding members of his aspiration for the Green Deal to be a revolution in the way energy efficiency improvements are funded. The Green Deal and the refreshed Energy Company Obligation (ECO) would contribute to the Government's stringent targets for energy efficiency and affordability. It also set out to reform the current Supplier Obligation (SO) model, and move away from a subsidy based model of provision that was considered unsustainable.

Charles stressed the importance of certainty for consumers in a time of high energy prices and explained the 'Pay as you save' [PAYS] principle behind the Green Deal, that the energy efficiency measures available under the scheme would pay for themselves. For the scheme to achieve success, there were huge challenges to overcome regarding consumer appetite and demand.

Two alternative scenarios where the Green Deal would not be the mechanism for offering improvements were outlined:

1. Where the necessary energy efficiency measures are still costly compared to the saving they accrue e.g. Solid Wall Insulation. In such cases the Green Deal aimed to offer, for example, the improvements on a 50% PAYS basis with the Energy Company Obligation contributing the remaining 50%
2. Underheated Households (the Fuel Poor) – in this case the government believed the use of energy company provided subsidies was justified: for such cases the 100% subsidy, supplier obligation model would continue.

Three emerging models for local government involvement were identified as examples of how the Green Deal could operate on a local level:

- Local Government is the Green Deal provider
- Local Government partners with a (National)

- retailer or energy company
- Local Government acts to endorse, publicise and authenticate schemes through partnership working and its knowledge of the housing stock.

However Charles stressed that there was not one model for local authority involvement and furthermore that central government would not suggest or push for a certain type of local provision / partnership working.

It was also stated that the Home Energy Conservation Act (HECA) is to be refreshed, and Charles welcomed future engagement between DECC, the LGA and member councils on the future changes to the act.

In discussion members raised the following points:

- The Green Deal was a welcome initiative, but would have to overcome scepticism generated by the mishandling of the FITs consultation if it were to succeed.
- Although a great number of councils were making progress on the Green Deal, many councils were not doing anything yet, and this should be recognised.
- DECC and leading local authorities should be inspirational and maintain a high-profile to drive through achieve success across the country.
- Board members wished to hear a clear rationale for the exclusion of social housing from the ECO Affordable Warmth element of the Green Deal.
- A broad agreement amongst members that the Affordable Warmth element should be receivable across all tenure types
- The principle that it should be up to local communities to decide what the priorities for the green deal in their local area were.

By way of reply, assurances were given that the Green Deal itself had no tenure restriction and that of the ECO measures (75% carbon-saving measures and 25% Affordable Warmth measures) only the Affordable Warmth measures excluded social housing. Reputational issues after the FITs decision were also noted.

Charles also acknowledged the danger of and invited help from the sector to assist DECC in identifying and improving those councils who were lagging on energy efficiency. It was hoped that the refreshed HECA and possible new legislation aimed at private landlords may assist this process.

Decisions

1. Members **noted** the discussion on the Feed-in-Tariffs and the Green Deal
2. Members **welcomed** the fact that the Green Deal is tenure blind and **recommended** that 100% of the ECO measures should also be tenure blind.
3. Members **agreed** that **the LGA should work with DECC** as appropriate, on any future consultation **on community tariffs**.
4. Members **requested that a minister from DECC attend** the next board meeting to discuss issues raised at the meeting.

Actions

- Officers to produce a brief publication giving legal advice and guidance on the Green Deal scheme once it is finalised.
- Officers to provide an early briefing on Feed-in-Tariffs to members if the policy / legal landscape changes after Friday's court decision.
- LGA to work with DECC officials to ensure a record of members' concerns are set out for the minister.
- DECC and LGA to work on ideas to extend ownership of Green Deal issues in local govt sector.

**Abigail
Burridge**

3 Update on other Board Business

Ian Hughes introduced the reports which updated the Board on the Board on developments in policy, legislation and LGA activity on Housing issues, the framework for developing a local strategy for flood risk management, Climate Change Adaption / Resilience, Metal Theft and also provided the board with an opportunity to comment upon the developing LGA business plan.

Regarding the Housing Update (Item 3 – Appendix A), members requested to be updated on the status of the LGA's right to buy consultation and requested further details on the £50million fund announced as part of the housing strategy.

Members also raised the following issues in discussion about the future development of the LGA's business plan (Item 3 – Appendix E):

- The Red-tape challenge, climate change and waste regulation were missing from Environment and Housing Board's headline priorities.
- The description of planning reform and housing strategy needs to cover both support and challenge.

Decisions

1. Members ***noted*** the draft LGA Business Plan and ***put forward a number of suggested changes***
2. Members ***noted*** the updates provided

Actions

- Officers to ensure that the views of the Environment and Housing Board members are reflected in the priorities listed for the board in final draft of the Business plan.
- Members to receive an update note on the status of the LGA's right to buy consultation and timescales for sharing this with Housing Portfolio holders and further details on the £50million fund announced as part of the housing strategy.

**Sandie Dunne /
Helen Platts**

**Clarissa
Corbisiero**

4 Note of last meeting

Decision

Members noted the minutes of the last meeting.