

## **Carbon reduction and sustainability**

### **Background**

1. This paper provides further detail on the key projects planned to take forward the Board’s agreed priority on carbon reduction and sustainability.
2. The Board’s agreed objective is to champion local action on fuel poverty, energy efficiency and reducing the cost of energy, giving councils the flexibility and access to the resources they need.
3. In meeting this objective, the Board is aiming to proactively lead the agenda on carbon reduction and energy. This will involve building on existing relationships with Ministers to ensure continued influence at senior level. This will include regular meetings with Greg Barker, Minister for Energy, who has also agreed to attend a future Board meeting.
4. Projects proposed to deliver the objective are outlined below. Members are asked to comment on whether these provide the right substance for future conversations with DECC Ministers and to suggest further ideas for proposals to take Ministers.

### **Resourcing energy efficiency**

5. Purpose:
  - 5.1 To help councils identify and access appropriate finance for locally-led energy efficiency and fuel poverty initiatives.
  - 5.2 To give the Board additional information so that the LGA can lobby for councils to have adequate flexibility and access to these resources.
6. Project
  - 6.1 To commission a report into how local authorities can and are identifying and leveraging-in funding from a range of sources for their local energy efficiency and fuel poverty schemes.
  - 6.2 To help councils make decisions by reviewing the risks and opportunities associated with various financing sources and models.
7. Lobbying
  - 7.1 The report will help the Board identify barriers that councils are experiencing in funding locally-led energy efficiency projects and allow the LGA to make evidenced representations on their behalf.
  - 7.2 The report will provide independent analysis, so councils will be able to consider the range of options available to them to help them deliver their local priorities.
8. Outcome
  - 8.1 Councils are able to identify and access appropriate sources of funding to deliver their local energy efficiency projects.

## **The Energy Company Obligation**

9. The Energy Company Obligation offers a means by which local energy efficiency projects identified by councils can be funded or delivered by Energy Companies. Energy Companies fund the projects either in a partnership agreement, or shortly via a new brokerage scheme. The board has agreed to ensure that councils can use ECO to fund energy efficiency measures.
10. Purpose:
  - 10.1 To help councils set up successful partnerships to enable their local energy efficiency and fuel poverty projects to be adequately funded by the Energy Suppliers through the Energy Company Obligation (ECO).
  - 10.2 To ensure councils can use the new ECO Brokerage mechanism without having to register as a Green Deal provider.
  - 10.3 For councils to have maximum flexibility in how they have their local schemes funded – whether through partnership agreements or the new ECO brokerage.
11. Project
  - 11.1 To commission a report into how local authorities have set up successful partnerships with Energy Suppliers under previous schemes, drawing out transferable lessons and making the case for councils to have flexibility to use the brokerage scheme.
  - 11.2 The report will also provide case study examples on how councils can make use of the new ECO Brokerage to invest in local energy efficiency schemes.
12. Lobbying
  - 12.1 The report will help the Board identify barriers that councils are experiencing in having local projects funded by the Energy Suppliers. The LGA can then lobby to have these barriers removed.
  - 12.2 This will help the LGA continue to lobby for a flexible Brokerage scheme, and respond to the consultation on the ECO Brokerage that is due in November 2012, lobbying for the Brokerage to work for councils.
13. Outcomes
  - 13.1 Councils are able to negotiate better partnerships that achieve their local objectives, as well as the energy suppliers’ objectives.
  - 13.2 Councils are able to have their projects funded by either entering into partnership agreements with the Energy Suppliers, or by placing their projects on the ECO Brokerage to be funded.
  - 13.3 The delivery of ECO will be more transparent and competitive, so councils know they have a good deal and don’t have to invest their own scarce resources in achieving energy efficiency and fuel poverty objectives.

## **Fuel Poverty**

14. It is proposed that, in anticipation of a new national fuel poverty strategy being consulted on in the New Year, the Board develops its own proposals on how to effectively address fuel poverty. The most successful fuel poverty interventions have been led at a local level, usually in a partnership arrangement between local authorities and local health services.
15. Purpose
  - 15.1 For the Board to pro-actively lead the debate on how to address and reduce fuel poverty.
16. Project
  - 16.1 To set out locally-led solutions for addressing and reducing fuel poverty.
  - 16.2 To quantify the impact of fuel poverty on council spending on social care, and to identify if there are opportunities to reduce spending on social care by mitigating fuel poverty, and the health impacts associated with it.
  - 16.3 To link into the development of new health and well-being boards.
17. Lobbying
  - 17.1 DECC is currently consulting on developing a new definition of fuel poverty that will change who is eligible for financial support. This gives the Board the opportunity to set out what the definition should be to generate meaningful action at a local level, ensuring those that need support receive it.
  - 17.2 This project will enable the Board to set out its position on fuel poverty in advance of government’s consultation on a new national strategy on fuel poverty expected next year.
  - 17.3 The government-funded ‘Warm Front’ scheme, that is designed to address fuel poverty in private and privately rented homes, is again under spent. This project gives the Board the opportunity to propose how the under spend could be used more meaningfully at a locally-led level.
18. Outcomes
  - 18.1 Any new national schemes that are developed as a result of a new national strategy reflect the central role councils play in tackling fuel poverty and can be delivered at a local level – resulting in genuine benefits to householders experiencing fuel poverty.
  - 18.2 Councils and the LGA have more information about the risks and benefits of acting of fuel poverty – particularly how it links to social care and the pressure on spending in this area.