

# REPORT FOR: **CABINET**

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| <b>Date of Meeting:</b>             | 14 March 2013  |
| <b>Subject:</b>                     | Revisions to the Climate Change Strategy Action Plan, and Delivering Warmer Homes HECA report following public consultation  |
| <b>Key Decision:</b>                | Yes  |
| <b>Responsible Officer:</b>         | Caroline Bruce, Corporate Director of Environment and Enterprise   |
| <b>Portfolio Holder:</b>            | Councillor Phillip O'Dell, Portfolio Holder for Environment and Community Safety   |
| <b>Exempt:</b>                      | No   |
| <b>Decision subject to Call-in:</b> | Yes  |
| <b>Enclosures:</b>                  | <p>Appendix A – Responses to draft Climate change Strategy Action Plan</p> <p>Appendix B – Responses to Delivering Warmer Homes (HECA) report</p> <p>Appendix C – Responses to Comments from Overview and Scrutiny Committee</p> <p>Appendix D – Climate Change Strategy Action Plan (final)</p> <p>Appendix E – Delivering Warmer Homes HECA report (final)</p> <p>Appendix F: Reference from O&amp;S Committee held on 26 February – to be circulated</p> <p><i>[Note: Hard copies of the appendices A-E have been circulated to key Members and Officers only. Hard copies have been placed in the Group Offices and the Members' Library.]</i></p> |

## **Section 1 – Summary and Recommendations**

This report sets out the comments received from the public consultation on the draft strategies and the council's response. The final versions of the documents are submitted for approval

**Recommendations:**  
Cabinet is requested to:

1. Approve the final draft of the revised Climate Change Strategy Action Plan
2. Approve the final draft of the revised Delivering Warmer Homes (HECA) report
3. Approve the submission of the Delivering Warmer Homes (HECA) report to the Secretary of State for Energy and Climate Change.

**Reason: (For recommendation)**

To ensure continued progress in delivery of the council's Climate Change and Delivering Warmer Homes strategies

## **Section 2 – Report**

### **2.1 Introduction**

Cabinet received a report on the draft Climate Change Strategy Action Plan and Delivering Warmer Homes (HECA) report in November and agreed that they be subject to public consultation.

This report sets out the comments received and the responses by officers.

Revised final drafts of the Climate Change Strategy Action Plan and the Delivering Warmer Homes (HECA) report are attached for approval

### **2.2 Results of the public consultation**

#### **2.2.1 Public consultation**

The consultations were open to comment from 30 November 2012 and closed on 28 January 2013 and could be accessed via the consultation page on the Harrow Council website.

A press release was also sent out to publicise that the consultations were open.

The Head of Climate Change presented the documents to a meeting of Greener Harrow on 27 November.

Copies of the documents were also sent to the following organizations with a request that they circulate them to their affiliated organizations/members: -

- Ealing CVS (This organisation holds details on community and voluntary groups in Harrow)
- Harrow Inter Faith Council
- Greener Harrow
- Sustainability in Action

Copies of the Delivering Warmer Homes strategy were also sent to/discussed with a number of potential Green Deal Providers/energy companies to help to determine how best to procure a partner to deliver the strategy.

#### **2.2.2 Responses**

A total of six responses were received from the public on the climate change strategy and one response was received on the Delivering Warmer Homes strategy. All responses were from individuals.

### 2.2.3 Responses to comments

Comments from the public consultation and the council's response are set out in: -

- Appendix A - Climate Change Strategy Action Plan, and
- Appendix B - Delivering Warmer Homes (HECA) report.
- Appendix C – Overview and Scrutiny Committee

The revised texts are shown in: -

- Appendix D - Climate Change Strategy Action Plan, and
- Appendix E - Delivering Warmer Homes (HECA) report

## 2.3 Other issues

### 2.3.1 Harrow Housewarmers

The DoH funded a Warm Homes, Healthy People programme for this winter (2012/13). The council received £82,000 and the Harrow Housewarmers project was launched in early January.

### 2.3.2 The Green Deal/Energy Company Obligation

**The Green Deal** is the government's flagship initiative to retrofit the UK's existing building stock. It is a Pay-As-You-Save (PAYS) approach where finance is provided to households and organisations to install energy efficiency and energy supply measures. The cost of the measures is attached to the property and then repaid through a charge on the building's electricity meter over a number of years.

**The Golden Rule** is that the charge attached to the energy bill should not exceed the expected savings, and the length of the payback period should not exceed the expected lifetime of the measures. Only measures that meet this rule will be eligible under the Green Deal.

### Energy Company Obligation

The exceptions to the Golden Rule are where homes have solid walls, or where homes are unlikely to make savings on their fuel bills as a result of the Green Deal (i.e. the fuel poor). These will be supported through the Energy Company Obligation (ECO), which is worth £1.3bn a year (nationally). This is an obligation on the energy companies to deliver government targets. Table 5.1 of the Delivering Warmer homes (HECA report sets out the detail of the ECO scheme

### 2.3.3 ECO Phase 1

We have been working with GLA's (RE:NEW) project across the West London area which has provided home insulation measures to households. The programme has delivered £90k of investment. This project will finish at the end of March 2013. Delivery of this has been coordinated with the council's Affordable Warmth programme (£110k capital). The RE:NEW contractor is also expected to provide additional funding from ECO.

This coordinated approach had the advantage of using just one delivery partner in the borough.

### 2.3.4 Warm Homes, Healthy People

We also received funding from DoH under the Warm Homes, Healthy People programme to provide support to the vulnerable over the 2012/13 winter. Funding of £82k was granted and the

support is largely delivered by the voluntary sector to the. This project is expected to be completed at the end of March 2013.

### **2.3.5 DECC money**

The council has also successfully submitted a joint west London bid to DECC, under their November 2012 funding programme. The additional funding has supported a Fuel Poverty reduction programme and a Green Deal Pioneer Places programme. The lead borough for this work was Hounslow. This scheme finishes at the end of March 2013. In total £192k is expected to be spent in Harrow under the DECC scheme. In addition energy companies are expected to contribute some ECO money.

### **2.3.6 Schools**

Schools currently account for 50% of the council's carbon emissions. Control of the schools capital maintenance and capital programmes has been transferred to Children and Families as part of the council's reorganisation. It remains the case that schools need to play a major role in delivering the targets set by the climate change strategy. The RE:FIT programme has seen an initial start in reducing emissions. In some individual cases reductions of 40% have been possible.

The November 2012 report proposed that the RE:FIT and Carbon Reduction programmes be rolled out to all schools. Since then the government has clarified the future of the CRC scheme and how this will affect LA schools, Academies and Free schools. From April 2014, the CRC scheme will no longer apply to schools. The DfE will take over responsibility for carbon emissions from publicly funded schools. However, it is believed that local authorities will still need to include school's greenhouse gas emissions in their GHG reports.

The DfE will launch a new scheme – RE:FIT Schools - in April 2013, which will cover all schools in England. Schools will be able to access interest free loans from SALIX regardless of their status. Initial discussions have indicated that the RE:FIT programme for summer 2013 in a number of our schools can be funded from this programme rather than the council's capital programme. At this stage it is expected that delivery of the RE:FIT schools programme would still be carried out under the LA supervision. As Academies have retained their SLA with the council for energy purchasing and energy efficiency advice, this change means that the council will be able to assist them in accessing this funding stream.

### **2.3.7 ECO Phase 2**

Following approaches from a number of companies who were seeking to implement an ECO scheme in the borough the council is using the GLA's RE:NEW framework to procure a partner to deliver an ECO project in the borough from April 2013 to March 2014, with a possible one year extension. This proposal will fill a potential gap up to April 2014 as the GLA establishes a pan-London programme.

The outcomes of ECO Phase 1 and the DECC funding have been taken into account in the development of Phase 2 of the project.

As part of the mini-competition process, Tenderers were asked to set out the scale and scope of their ambition. These proposals have helped to inform the HECA report to DECC. However within the timescales available it has not been possible to establish what the project will deliver and include this in the HECA report.

A further report to Cabinet may be required, once the Tenders have been received

## 2.4 Financial Implications

### Affordable Warmth

The table below summarises the spend allocated to the capital programme.

| Capital Budget (£000's) | 2011/12 Actual | 2012/13 Budget |                 | 2013/14 Budget |
|-------------------------|----------------|----------------|-----------------|----------------|
| TOTAL Allocation        | 150            | 110            | Capital         | 0              |
| Less Staff costs        | 40             | 35             | Revenue (staff) | 80             |
| Grants budget           | 110            | 75             | Grants          | 0              |

As reported in November it was decided to discontinue bidding for a £75k Affordable Warmth capital budget from April 2013. Staff costs associated with delivering the grants was around £80k. The posts are funded from revenue going forward.

The Green Deal represents a significant change in the nature of providing energy efficiency retrofits to homes in England. The Energy Company Obligation (ECO) is a mechanism that has great potential to attract inward investment into the borough, providing employment opportunities, and helping to improve the health and well-being of the population (as well as reducing the borough's carbon footprint). Therefore the support to residents can continue and the revenue funding of the two posts above will help to deliver the ECO. The Delivering Warmer Homes (HECA) report sets out the route map for delivering this programme over the next two years.

### CRC Scheme

The CRC scheme has been reviewed by the government. From April 2014/15 emissions from all schools will be removed from the council's responsibility. Allowances will need to be bought for all other emissions, including street lighting.

From April 2014, the price of carbon allowances will increase to £16/tonne and increase by RPI from that point annually. The budgetary effects are set out below.

| Revenue Budget (£000's)                     |                | 2012/13 original | 2012/13 revised | 2013/14      | 2014/15      |
|---|----------------|------------------|-----------------|--------------|--------------|
| CRC - cost per tonne                        |                | £12              | £12             | £12          | £16          |
| Corporate CRC payments                      | - £000s        | 77.3             | 65.3            | 109.4        | 123.1        |
| Public lighting CRC payments                | - £000s        | 0                | 0               | 0            | 62.4         |
| School CRC payments<br>(includes Academies) | - £000s        | 153.2            | 124.1           | 143.1        | 0            |
| <b>Total</b>                                | <b>- £000s</b> | <b>230.5</b>     | <b>189.4</b>    | <b>252.5</b> | <b>185.5</b> |

## **Carbon Reduction capital budget**

The Carbon Reduction budget has been reduced to £250k from April 2013 (Cf. £500k in 2012/13). This change will mean that energy retrofits will only be funded for the council's corporate buildings. The existing 15% capital contribution (incentive payment) for schools will also be discontinued.

## **RE:FIT schools programme**

As indicated above, the GLA/DfE will introduce an energy retrofit programme for all schools from April 2013. In London the total funding available will be £3m a year. Schemes will be funded by interest free loans from SALIX, which are repaid from the savings.

- All schools including academies will be eligible for this scheme.
- Where the school is a local authority school, the loan would need to be included on the council's balance sheet. As with the existing RE:FIT scheme, schools would need to sign an agreement with the council to continue to make the repayments if they convert to Academy status before the loan is repaid.
- Where a school is already an Academy, the SALIX loan would be directly with the school.

## **2.5 Legal Implications**

The Council has a range of legal obligations aimed at mitigating the impacts of climate change, including participation in the Carbon Reduction Commitment, introduced pursuant to the Climate Change Act 2008, and through its role as the lead local flood authority co-ordinating flood risk management for the area, in accordance with the Flood and Water Management Act 2010.

## **2.6 Performance Issues**

The actions indicated in the report will contribute towards the Corporate Priorities as indicated below (i.e. in 2.10)

The Council's carbon reduction delivery is monitored by two measures in the Corporate Scorecard.

Detailed measures relating to the delivery of the Climate Change Strategy Action Plan are contained in the Appendix D; and the Delivering warmer Homes (HECA) report (in Appendix E).

## **2.7 Environmental Impact**

The Climate Change strategy addresses the following policy areas

- Planning and Development
  - Transport
  - Water and Flooding
  - Waste
  - Biodiversity and the Natural Environment
  - The Council's Footprint
- and
- Warmer Homes

The strategy aims to protect and enhance the environmental impact of each of these areas.

## 2.8 Risk Management Implications

Risks relating to delivery of the Climate Change Strategy Action Plan and also to the Delivering Warmer Homes programme are captured on the corporate risk where they are monitored and overseen by CSB. These risks are:-

### Corporate Risk Register

Risk 1: Delivering Warm Homes. This is a new risk which has been developed, reported to CSB added to the corporate risk register.

Risk 20: Lack of commitment to climate change and to reducing carbon emissions

## 2.9 Equalities implications

The strategies include a wide ranging set of activities and specific Equality Impact Assessments would need to be carried out in relation to items identified in the proposed Action Plans prior to implementation.

## 2.10 Corporate Priorities

This proposal incorporates the following corporate priorities

- **Keeping neighbourhoods clean, green and safe.**

Climate change is the world's number 1 environmental issue. Failure to act and reduce our dependence on fossil fuels will lead to increasingly severe impacts on our lives and those of our children.

- **Supporting and protecting people who are most in need**

Rising fuel costs mean that our residents face increasingly difficult choices about heating their homes, and more peoples' lives are affected by fuel poverty. Living in cold homes affects the health and well-being of people and adversely affects educational attainment of children. We aim to help all residents to reduce their energy use and will particularly target help to vulnerable people.

- **United and involved communities: a Council that listens and leads**

We aim to lead by example in reducing our carbon emissions – with the main focus of our climate change strategy is to reduce the carbon emissions from our own estate by 4% a year.

We promote awareness of the issues to residents and schools.

- **Supporting our Town Centre, our local shopping centres and our businesses**

Ensuring existing buildings continue to be utilised and maintained, and that the significant public and private investment in our town centres continues to be appropriately managed, and where necessary, adapted to cope with the impacts of climate change. With respect to businesses, helping them address the impacts of climate change through changing transport habits and ensuring outdated buildings can be renewed.

### **Section 3 - Statutory Officer Clearance**

|                     |                                     |   |
|---------------------|-------------------------------------|---|
| Name: Kanta Halai   | <input checked="" type="checkbox"/> | on behalf of the<br>Chief Financial Officer |
| Date: 4 March 2013  |                                     |   |
| Name: Matthew Adams | <input checked="" type="checkbox"/> | on behalf of the<br>Monitoring Officer      |
| Date: 4 March 2013  |                                     |   |

### **Section 4 – Performance Officer Clearance**

|                      |                                     |   |
|----------------------|-------------------------------------|---|
| Name: Martin Randall | <input checked="" type="checkbox"/> | on behalf of the<br>Divisional Director<br>Strategic Commissioning. |
| Date: 4 March 2013   |                                     |   |

### **Section 5 – Environmental Impact Officer Clearance**

|                    |                                     |   |
|--------------------|-------------------------------------|---|
| Name: John Edwards | <input checked="" type="checkbox"/> | on behalf of the<br>Divisional Director<br>(Environmental Services) |
| Date: 4 March 2013 |                                     |   |

### **Section 6 - Contact Details and Background Papers**

**Contact:** Andrew Baker, Head of Climate Change  
020 8424 1779  
andrew.baker@harrow.gov.uk

#### **Background Papers:**

**Climate Change Strategy – Review of Progress 2011/12 and Revised Draft Action Plan (22 November 2012)**

<http://www.harrow.gov.uk/www2/documents/g61073/Public%20reports%20pack,%20Thursday%2022-Nov-2012%2019.30,%20Cabinet.pdf?T=10>

**Guidance to English Energy Conservation Authorities issued pursuant to the Home Energy Conservation Act 1995 (HECA)**

[http://www.decc.gov.uk/en/content/cms/tackling/green\\_deal/gd\\_industry/gd\\_la/gd\\_la.aspx#HECA](http://www.decc.gov.uk/en/content/cms/tackling/green_deal/gd_industry/gd_la/gd_la.aspx#HECA)

**Call-In Waived by  
the Chairman of  
Overview and Scrutiny  
Committee**

**NOT APPLICABLE**

*[Call-in applies]*