



House of Commons  
Environmental Audit  
Committee

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**Climate change and  
local, regional and  
devolved government:  
Government Response  
to the Committee's  
Eighth Report of  
Session 2007–08**

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**Ninth Special Report of Session 2007–08**

*Ordered by The House of Commons  
to be printed 11 November 2008*

**HC 1189**  
Published on 19 November 2008  
by authority of the House of Commons  
London: The Stationery Office Limited  
£0.00

## The Environmental Audit Committee

The Environmental Audit Committee is appointed by the House of Commons to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by Her Majesty's Ministers; and to report thereon to the House.

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The constitution and powers are set out in House of Commons Standing Orders, principally Standing Order No. 152A. These are available on the Internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at: [www.parliament.uk/parliamentary\\_committees/environmental\\_audit\\_committee.cfm](http://www.parliament.uk/parliamentary_committees/environmental_audit_committee.cfm).

A list of Reports of the Committee from the present and prior Parliaments is at the back of this volume.

### Committee staff

The current staff of the Committee are: Gordon Clarke (Clerk); Anne-Marie Griffiths (Second Clerk); Richard Douglas (Committee Specialist); Oliver Bennett (Committee Specialist); Susan Monaghan (Senior Committee Assistant); Jennifer Steele (Committee Assistant); and Charlotte Towerton (Sandwich Student)

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# Ninth Special Report

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1. The Environmental Audit Committee published its report on **Climate change and local, regional and devolved Government** on Monday 28 July 2008 as HC 225.
2. The Government's Response to the Committee's Report was received on Tuesday 28 October 2008 in the form of a memorandum to the Committee. It is reproduced as an Appendix to this Special Report.

## Appendix: Government response

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### Government response to Environmental Audit Committee report on climate change and local, regional and devolved government

#### Summary

1. The Government welcomes the EAC's Eighth Report of Session 2007–08 on climate change and local, regional and devolved (herein referred to as 'sub-national') government, for its observations and recommendations and its contribution to the evidence base on this crucial area. This UK Government response to the Committee's findings is mostly concerned with English and UK-wide reserved policy as the devolved administrations, which presented separate memorandums to the Committee earlier in this enquiry, have their own climate change strategies.
2. The Government shares the Committee's view that action at a sub-national level is essential in enabling us to meet our ambitious but very necessary commitments to mitigating and adapting to climate change. While notable progress has been made we agree with the Committee that the momentum must be sustained. The carbon cuts demanded by the Climate Change Bill will require major effort from sub-national government alongside other sectors. This response to the EAC's report describes the measures which the Government is putting in place to ensure continuing progress.
3. Each level of government, as observed by the EAC, has a distinctive role to play in its contribution to addressing climate change. The Government agrees that coordination of approach is important in maximising the effectiveness of action but also places emphasis on the need to encourage devolved action as opposed to over-reliance on a centrally managed policy framework. While sub-national government is expected to help achieve nationally agreed objectives, we believe that it should also be permitted and encouraged to adopt approaches which reflect varying conditions, opportunities and constraints.
4. Local government has a pivotal role in tackling climate change particularly through its community leadership role and the range of services that it provides. While many local authorities have already made headway in action to help realise this potential, we believe that the introduction of climate change indicators in the new local authority performance framework will serve to raise the game of all local authorities in this crucial area. Mitigating

and adapting to climate change cannot be regarded as an optional extra for local government; it has been designated a core activity on which action is required.

5. The popularity of target setting against climate change indicators in LAAs is testimony to the appetite and commitment in the local government sector to playing a leading part in combating climate change. Through the coordinating role of the regional Government Office network, the Government has agreed targets on climate change in 98% of Local Area Agreements (LAAs). We would draw particular attention to the high take up of targets against national indicator 186 on reducing per capita emissions of carbon dioxide in local authority areas: two-thirds of all LAAs have set targets against this indicator. Regardless of whether targets are set on climate change, progress on addressing it will be measured for all local authorities. The introduction of the Carbon Reduction Commitment will also provide an added incentive to address climate change mitigation in larger councils, leading to large gains in energy efficiency and corresponding reductions in carbon emissions.

6. At a regional level, Government Offices, Regional Assemblies and Regional Development Agencies (RDAs) have worked in close partnership to develop coherent climate change policies. Following its review of sub-national economic development and regeneration (SNR), the Government has consulted on producing single regional strategies that build on, and replace, the existing regional spatial strategies (RSSs) and regional economic strategies (RESs). The Government has suggested that single regional strategies would set out the regions' objectives for sustainable economic growth in ways that support the move to a low carbon economy, and deliver the objectives of the Climate Change Bill. The Government is due to respond to the consultation in due course.

7. As the EAC's report notes, the shared commitment of the UK Government and the devolved administrations in responding to climate change as a matter of priority has engendered a positive and constructive working relationship in this area. Under the Climate Change Bill, the Government must take into account any representations made by devolved administrations before setting carbon budgets.

8. Adaptation to climate change must be improved in all levels of government. The Government's Adapting to Climate Change Programme, which brings together the work already being led by Government and the wider public sector on adapting to climate change, will co-ordinate and develop an integrated adaptation response. The development of the Government's programme will be overseen by the Cross Whitehall Domestic Adaptation Programme Board, incorporating all key Whitehall departments involved. Furthermore, the Climate Change Bill will give the Government a power to require public bodies to produce adaptation reports and to provide statutory guidance on how they should report, specifically on assessing the risks to their organisation, and develop their programmes for climate change adaptation.

9. The Government is committed to providing local and regional government with the support it needs to strengthen its capability to tackle climate change. In addition to the support that is already provided by the Carbon Trust and the Energy Saving Trust, the Government has launched a £4m Climate Change Best Practice Programme which will develop local government capacity to perform well against the new climate change indicators in the new local government performance framework. Climate change will also

form an important focus within the Government's wider National Improvement and Efficiency Strategy.

10. The Government accepts the need to review and monitor the impact of its policies for tackling climate change at a sub-national level. We believe that recently introduced measures, especially the new climate change indicators, will make a substantial difference but will consider additional measures where we believe there is a need.

11. The creation of the new Department of Energy and Climate Change (DECC) on 3 October 2008 will be beneficial to sub-national government's ability to respond to the challenge of climate change. By bringing together the closely related policy areas of climate change and energy into the same department, the national policy framework in which sub-regional government operates will be considerably strengthened.

## RESPONSES TO THE EAC'S CONCLUSIONS AND RECOMMENDATIONS

12. The Government has responded to individual conclusions/ recommendations made by the Committee but in some cases has grouped these together where they are closely related and addressed them in a single response.

### CONCLUSION/RECOMMENDATION 1

**It is vital that local, regional and devolved government have a clear understanding of their role in tackling climate change. We commend the work the Government has done in collaboration with the devolved administrations. We recognise that the Local Government Association's Commission on Climate Change has helped to raise the profile of climate change and has made some important recommendations. However, central Government has a duty to co-ordinate how the different spheres of government in the UK interact and to integrate, within the context of devolution and localism, action on the issue of climate change. (Paragraph 5)**

### CONCLUSION/RECOMMENDATION 19

**Regional co-ordination is important and the Government must ensure that the different players are all clear about their respective roles. We believe that as well as co-ordinating action on climate change between the different spheres of government in the UK, it is important that there is a joined up approach between local, regional and devolved government and other public service provision. (Paragraph 66)**

13. The Government agrees that effective co-ordination between all levels of government is important in responding to climate change. We will continue to develop what is already a significant programme of work in this area including developing the framework—statutory or otherwise—for delivery at the sub-national level on mitigation and adaptation.

14. At the local authority level, the new performance framework plays a key role in coordinating action, with the respective roles of Government Departments, regional Government Offices, local government and related partners, including the Audit Commission and Regional Improvement and Efficiency Partnerships (RIEPs), clearly defined.

15. Government Offices provide coordination through their close relationship with local authorities. A particularly important aspect of this relationship is the responsibility of Government Offices for negotiating performance targets with local authorities in LAAs, as part of the local authority performance framework. Government Offices in partnership with the Department for Environment, Food and Rural Affairs (Defra) have proved highly successful in achieving the Government's aim of ensuring that addressing climate change features prominently in LAAs, with 98 per cent of LAAs containing at least one climate change target.

16. Local Strategic Partnerships (LSPs), which play a central role in delivering the targets set in LAAs, comprise a large number of important local organisations which are drawn from the public, private and voluntary sectors. LSPs are responsible for developing delivery plans setting out how they will make improvements in relation to LAA targets. The Audit Commission and Government Offices will be responsible for evaluating local government performance on behalf of the Government.

17. At a regional level, the Government Office network oversees coordination between regional bodies including Regional Assemblies, RDAs, Regional Climate Change Partnerships, regional divisions of the Environment Agency and other partners. There is considerable participation by these bodies within the existing framework for agreeing and implementing the two statutory regional strategies: the RSS (prepared by the Regional Assembly) and the RES (prepared by the RDA). RSSs are subject to sustainability appraisals as required by the relevant legislation. These strategies include policies relevant to climate change such as, for example, targets for increasing use of renewable energy. The Government expects that as we move towards Single Regional Strategies we will make further progress in addressing climate change, paying considerable attention to this in the strategy appraisal and authorisation process.

18. Coordination of regional climate change policy should be improved by the implementation of the reforms set out in the SNR on which the Government has been consulting. The proposed SNR reforms are intended to maximise environmentally sustainable prosperity across England through ensuring policy is managed at the right spatial level and that there is clarity of roles at the sub-regional level. Central among the SNR's proposals is the replacement of RSSs and RESs with single regional strategies; this will be particularly helpful in simplifying the regional tier and promoting better coordination and cooperation. The SNR consultation document highlighted the need for future strategies to support the move to a low carbon economy to deliver the objectives set out in the Climate Change and Energy Bills. They will also be expected to address the need to manage the risks and opportunities of unavoidable climate change.

19. At both a local and regional level, spatial planning has a key role in helping to tackle climate change. The Government has made this clear in the new Planning Policy Statement (PPS) on climate change which was published at the end of 2007 and which makes clear that tackling climate change is at the centre of what Government expects from good planning. That is why the PPS has been issued as a supplement to PPS1: *Delivering Sustainable Development*, which is central to the entire series of planning policy statements. This new emphasis on planning's role in helping to confront the challenges of climate change, is supported by the Planning Bill which includes a new duty on local plans to take action on climate change.

20. Climate change—both mitigation and adaptation—will now be a key and integrating theme in plans and planning decisions. In particular, the PPS sets out a significant role for both regional and local planning in helping to speed up the shift to renewable and low-carbon energy, supporting our ambitions on zero carbon development and helping shape places resilient to the impact of climate change. The Government is developing practice guidance to support planners and others in implementing the PPS; a ‘living’ draft of this has been available since this spring.

21. A coordinated approach is also being taken by the Government in the delivery of the Home Energy Saving Programme which was announced on 11 September 2008. Among the measures included in this programme, the Government will propose a new statutory obligation on energy suppliers and electricity generators to undertake community-based energy savings activities. The aim of the obligation would be to raise the take-up and efficient delivery of energy efficiency measures through street-by-street approaches. The Government envisages, and will encourage, that this be undertaken by partnerships of energy companies, local authorities, community organisations and social enterprises, among others. The Government has had positive discussions with the Local Government Association at senior levels about this new initiative.

22. The Government has made significant progress in the co-ordination of the Government’s work on adaptation in England. In July 2008, the Government published ‘*Adapting to Climate Change in England; A framework for action*’ setting out what the government has already done and what it will be planning to do to help the country adapt to climate change. In the framework, we have committed to working with sub-national bodies, from RDAs to parish and town councils.

23. Coordination of support for local and regional government on climate change mitigation and adaptation is recognised by the Government as essential. This has been reflected in the approach taken to developing the Climate Change Best Practice Programme and the wider RIEP programme (*see paragraphs 105 to 114*)

24. As part of the package of support that we are providing to local government, we have worked with several partners to bring together a Local and Regional Adaptation Partnership Board (LRAP). The LRAP Board, chaired by Government Office London as Government Office lead on adaptation, includes representatives from the key local and regional bodies including the Nottingham Declaration Partnership, local government and LSPs, RDAs, the RIEPs, Environment Agency, Natural England and the Local Government Association. The LRAP Board partners have agreed to work together to develop a common understanding of adaptation priorities, to set out a clear programme of support and to encourage appropriate links between national policy and evidence and local and regional delivery. The board is in the process of developing a three year work programme which in the first instance has made support of the national adaptation indicator a priority.

25. The UK Government and devolved administrations are committed to working closely together to share best practice and develop cross-border initiatives. To do this we have set up the Adapting to Climate Change UK group which meets every six months. The next meeting is scheduled for October 2008. The Government also cooperates closely with the Devolved Administrations on climate change mitigation issues, particularly concerning the

Climate Change Bill and on the policies and proposals that will deliver the targets to be set under it (*see paragraph 117*).

## CONCLUSION/RECOMMENDATION 2

**Procurement, housing, transport and adaptation are obviously areas where local authorities could expect to make significant progress but how these are balanced will depend on local circumstances. The Government made clear its national priorities in the Comprehensive Spending Review and has put real effort into cascading these to local government through Government Offices and the guidance it has produced. The selection of priorities by local authorities will be determined by their scope for action and any particular competency they have. But it is important that efforts to spread best practice and to provide advice and guidance draw their examples from the agreed priorities. (Paragraph 6)**

26. The 2007 pre-budget and Comprehensive Spending Review (CSR) provided for increased funding for tackling climate change, building on the sustained increases of the last two years' reviews. This underlines the priority which the Government attaches to its climate change commitments which, we agree, should be translated into progress at a regional and local level.

27. The new local government performance framework and its set of 198 indicators is a key element in cascading CSR priorities to local government. We have been working closely with Government Offices to encourage adoption of our key priorities by local government and this has been realised through the significant uptake of environmental targets in LAAs (*see paragraph 70*). We will continue to work with Government Offices on the delivery of our key environmental priorities through LAAs, regional and sub-regional processes.

28. Guidance, such as that set out in the Government's *Energy Measures Report* (September 2007), reflects national priorities in the CSR. All local authorities must have regard to this report in exercising their functions, under the 2006 Climate Change and Sustainable Energy Act. The Climate Change Best Practice Programme will also draw its examples from the national priorities in the CSR (*see paragraphs 105 to 114*).

29. We welcome the Committee's view that adaptation is an area where local government can make significant progress and agree that spreading best practice will be important. The development of adaptation responses is at a fairly early stage, however there are already some emerging examples of good practice within local authorities. As part of the LRAP Board programme, Defra, the Government Offices and the UK Climate Impacts Programme (UKCIP) are leading the delivery of a series of regional workshops in October 2008 and Spring 2009 to bring local authorities and partners who are delivering against National Indicator 188 together to share experiences and establish adaptation networks. In addition, also as part of the LRAP Board programme, the Government Office through their Climate Action Support Programme are leading the development and production of a set of case studies on emerging good practice which will be available to all local authorities in the new year. All of this material will be made available through the Nottingham Declaration website and through the regional pages as part of the new Adapting to Climate Change website [www.defra.gov.uk/adaptation](http://www.defra.gov.uk/adaptation). The Government is also producing more

detailed guidance on the national indicator later this year building on the input of local authorities and others as part of the autumn adaptation workshops.

### CONCLUSION/RECOMMENDATION 3

**Local, regional and devolved government will never be successful in overcoming barriers to progress on climate change if they lack the motivation to take action or the barriers they face are too high. External inspection, audit and challenge will undoubtedly play an important part in providing motivation, as will changes to the policy and performance management frameworks. The Government must look carefully at the incentives and encouragements it can offer to local, regional and devolved government and the steps it can take to help them overcome barriers to action. (Paragraph 11)**

30. The Government agrees that inspection and audit must be complemented by incentives, encouragement and support to stimulate action. One of the most valuable benefits to be gained from reducing carbon emissions from local authority operations, through boosting energy efficiency and cost effective low carbon energy generation, is the potential for major cost savings. This was arguably the main motivating factors behind Woking Borough Council's major investment in its energy saving Combined Heat and Power (CHP) supply which has become a role model for other local authorities. The substantial rise in energy prices that local government has been facing recently further strengthens the case for investing in measures of this sort.

31. The Government provides support for investment in energy saving in the public sector through the invest-to-save scheme operated by Salix finance. Salix is an independent company set up by the Carbon Trust in 2005 as a £5m pilot to work with local authorities, giving them access to capital expenditure to invest in energy efficient measures and technologies (e.g. boilers, insulation, lighting and heating controls). Salix received funding of £16m between 2006–08 to work with the whole of the public sector, and will receive a further £30m between 2008–2011 under the Environmental Transformation Fund. Salix is currently working with 80 public sector clients, on 1,350 individual projects, which are projected to save £4m on energy bills and realise lifetime savings of 300,000 tonnes of carbon dioxide. Energy saving expertise is also offered by the Carbon Trust's carbon management programme which has already benefited over 100 local authorities.

32. Incentives to stimulate energy efficiency improvements in larger local authorities will be offered by the Carbon Reduction Commitment (CRC) which applies mandatory emissions trading to cut carbon emissions from large public sector and commercial organisations. In 2013 the CRC will set a cap on the amount of carbon emissions that can be emitted by those participating in the scheme. Within that cap, local authorities will have both financial and reputational incentives to significantly reduce their emissions. There are two financial drivers built into the CRC for local authorities to become more energy efficient. Firstly the CRC will incentivise local authorities to avoid the costs associated with inefficient use of energy. Secondly, there are financial bonuses and penalties linked to how local authorities perform in the league table that will be set up as part of the scheme.

33. Investment measures to adapt to climate change will pay dividends to local authorities in the long and short term. But it is important to identify the nature and extent of barriers

that may prevent successful adaptation, and target intervention on the basis of that understanding. One of the main potential barriers is a lack of adequate information, which is being addressed through the Government's Adaptation programme. Under the programme, Government is leading a project to produce a national cost benefit analysis and climate change risk assessment as required under the draft Climate Change Bill. In addition, the continuing work of the UKCIP, including new climate scenarios, and the support and guidance framework delivered by the newly convened Local and Regional Adaptation Partnership Board, all aim to improve access to information on adaptation.

34. The Government's Growth Points initiative, which invites those local partnerships wishing to pursue increased levels of growth to enter into a "partnership of growth" with Government, represents another important form of encouragement for taking ambitious action. In return for funding, the successful locations agree to abide by challenging environmental standards to ensure that environmental impacts are managed sustainably. High standards of design and significant investment in environmental infrastructure will be essential to ensure that growth can be delivered sustainably. Local partners are invited to bid for initial funding for infrastructure projects to unlock sites for new housing and improve the environment. Support is also available to contribute towards essential studies and assessments, master planning and building up delivery capacity. The latest round of growth points was announced in July 2008 and there are now 50 growth point locations working in partnership with Government.

35. A financial incentive will be offered by the Government as part of the Local Government Performance Framework for effective performance against any climate change targets set in LAAs. This will be provided through the Reward Grant incentive package for delivery of LAA targets which would become payable in 2011/2012.

36. It is also worth referring to the important reputational incentive for local authorities to undertake effective action to combat climate change. Mounting awareness of the threat posed by climate change is likely to be increasingly translated into a greater expectation for strong local authority performance on this front. Growing public interest in this issue could prove one of the most effective of all drivers of greater action.

37. The new Comprehensive Area Assessment (CAA) will be introduced from April 2009 as part of the new performance framework. CAA will be carried out jointly by the independent local public service inspectorates, led by the Audit Commission. It will include assessments of prospects for delivery and improvement against local priorities (including LAA improvement targets) and the wider set of national indicators and will thus be able to take account of how local authorities and their partners are addressing climate change. CAA will draw on a range of evidence sources including the national indicator set, the views of service users and other citizen perspectives, local self-evaluation, and findings from inspection, regulation and audit work.

38. The Carbon Emissions Reduction Commitment (CERT) offers potential improvements to the energy efficiency of social housing, helping to overcome a key barrier that holds back investment in existing housing stock. CERT is an obligation on licensed domestic energy suppliers with a customer base in excess of 50,000 customers to promote carbon saving measures in households in Great Britain. We estimate that suppliers will

need to invest over £3.3Bn<sup>1</sup> over the current three-year phase which runs to March 2011. Suppliers have to meet 40% of their target in the homes of a “priority group” of aged over 70 or low income householders. In the past, suppliers have worked with local authorities and other social housing landlords to promote home energy saving measures—principally insulation, but also including low energy lighting, heating measures, fuel switching (to more efficient heat sources), and combined heat and power (CHP) installations. We are currently evaluating the most recent phase of the supplier obligation, but it is already clear that significant improvements were delivered by suppliers working in partnership with local authorities and other social landlords.

39. We agree that it is important for the Government to consider the support that it can offer sub-national government to overcome barriers to action. The Climate Change Best Practice Programme will play an important role in providing this support (*see paragraphs 105 to 114*).

## CONCLUSION/RECOMMENDATION 4

**We believe that local and regional government has in the past faced contradictions in national policy on climate change. Some problems with cross-government policy co-ordination remain; there are tensions between regional airport expansion and the need to limit emissions from aviation; it is not clear how the targets to build more homes will be compatible with efforts to lower emissions; increased road building and lack of a national strategy on road pricing are incompatible with the need to reduce emissions from road transport; it is unclear how district renewable energy and district heating are to be taken into account. (Paragraph 17)**

40. For the UK to achieve the enormous cuts in carbon emissions which the Government believes are necessary to avoid catastrophic climate change, substantial action must be taken in all sectors. We agree that it is vital for the objective of mitigating and adapting to climate change to be embedded across all Government policy, including transport and housing policy.

41. The creation DECC on 3 October 2008 represents a major step forward in improving integration between climate change policy and key related policy areas. The development of energy policy is particularly crucial in tackling climate change; bringing together the responsibility for these two areas into a single department will help ensure more coherent and effective policymaking.

42. The UK Climate Change Programme represents a concerted approach to tackling climate change across all Departmental areas of responsibility. In view of the priority accorded to tackling climate change by the Government, Departments have placed the issue at the top of their agendas, ensuring that their policies are supportive of the Government’s climate change objectives.

43. In respect of adaptation, the Government recently published its adaptation framework for action document and website. The framework brings together the work already being led by Government and the wider public sector on adapting to climate change and sets out

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<sup>1</sup> This takes into account the 20% increase announced on 11 September.

how the Government's Adaptation Programme will co-ordinate and drive forward development of the Government's work in the future. The development of the Government's programme will be overseen by the Cross Whitehall Domestic Adaptation Programme Board incorporating all key Whitehall departments involved.

44. Turning to the specific policy areas identified by the EAC:

### **Aviation:**

45. On Aviation, the *Future of Air Transport* White Paper (2003) committed the Government to ensuring that aviation reflects the full costs of its climate change emissions; and to make better use of existing airport capacity through a process of improvement and modernisation. It invited airport operators to publish master plans explaining how their modernisation and development proposals would help inform regional and local planning processes, and how they would take account of local impacts and the wider environmental impacts of air travel.

46. We have a strategy in place to address the climate change implications of expansion, namely through pressing for aviation to be included in emissions trading. The agreement to include all arriving and departing flights into, out of and within the EU from 2012 onwards in the EU Emissions Trading Scheme (ETS) is a major step forward in ensuring that the climate change impacts of aviation emissions are addressed.

47. Under the EU proposal, carbon dioxide emissions from EU aviation are to be capped at 97% of average 2004–06 levels in 2012 and any emissions above this level must be covered through corresponding reductions in aviation or through purchasing allowances from the market.

48. We support the limited expansion of airport capacity and have rejected proposals for new capacity at several airports (including Gatwick), promoting instead making better use of existing airport infrastructure. Our support for limited expansion of capacity is based on a full analysis of the impacts, and in the case of Heathrow, expansion is conditional on meeting strict environmental limits.

49. The Government also continues to take a leading role by ensuring aviation pays its climate change costs through taxation, promoting operational improvements, investing in research and development, encouraging behavioural change and raising awareness of the carbon impacts of everyday actions.

### **Road transport:**

50. The Government is pursuing a range of policies to reduce the environmental impact of road transport including working through the EU to bring forward mandatory standards for CO<sub>2</sub> emissions from new cars; saving carbon through renewable fuels; low carbon transport technologies innovation and information campaigns. Government also is raising awareness among motorists of what they can do to reduce emissions and promoting low carbon ways of travelling such as walking, cycling and public transport.

51. The Government is mindful that an increase in traffic overall could still lead to an increase in the aggregate level of road transport emissions. Beyond the development of vehicle technology, there is an important relationship between emissions and better managing capacity and traffic flow. The risk of stop-start traffic and gridlock on our roads would be damaging for the economy, for the environment and for our quality of life. The Department for Transport (DfT) recently published *Roads—Delivering Choice and Reliability* (July 2008) which sets out how the Government will get the best out of the road network. We have always been clear that tackling congestion is a priority. That means focusing on where it is a problem now—in towns and cities and on motorways.

52. Over the past couple of years, the debate has been about the case for implementing a widespread road pricing scheme. Work is ongoing across the world to explore the new technologies and systems that could make such a scheme practicable in the future. In time this should help identify answers to the very real concerns that people have; for example about the sort of equipment that might be involved and the way their personal privacy could be safeguarded.

53. In the meantime, while we are still a long way away from having these answers, our priority, over the next decade, must be on the things we can be doing to relieve pressure on the most overcrowded routes, to give road users greater choice over the journeys they take, and to recognise the premium they put on the reliability and predictability of journey times.

54. We are also developing a Carbon Accounting Framework, to understand better the carbon footprint of our construction, maintenance and operational activities on our strategic roads.

### ***New homes (and other forms of development):***

55. The objectives of housing growth and reducing carbon emissions are not mutually exclusive. The Government made clear in its Green Paper *'Homes for the Future: More affordable, more sustainable'* (Cm 7191, July 2007) that its policy is to build more and better homes, meeting high environmental standards. The planning process, including such mechanisms as sustainability appraisal, considers the environmental impact of plans for new development.

56. The Green Paper set out the target for all new homes to be zero carbon from 2016, via a progressive tightening of the carbon standards in the Part L Building Regulations—by 25% in 2010 and by 44% in 2013—up to the zero carbon target from 2016. The Government will be consulting shortly on a definition of the term 'zero carbon'. The Government is supporting the zero carbon delivery hub which the industry has set up to manage the zero carbon programme. The Government will be consulting also on a programme to achieve the ambition announced in the 2007 Budget for all new non-domestic buildings to be zero carbon from 2019.

57. It is already the Government's ambition that all new schools are zero carbon from 2016. The Government has also announced an ambition for all new public sector buildings to be zero carbon from 2018. A Public Buildings taskforce is being established to advise on how

we could achieve this ambition, including whether the timescale is realistic, and how to reduce carbon emissions from public buildings in the intervening period.

58. The Green Paper also set out the Government's proposals for eco towns. The Government will be publishing for consultation shortly a draft PPS and a sustainability appraisal for eco towns.

59. The PPS on Climate Change sets out how regional and local planning can best support achievement of the zero-carbon target for new housing, alongside meeting community needs for economic and housing development. (*see paragraphs 19 and 20*).

### **Renewable energy and district heating:**

60. Renewable energy has a critical role to play in meeting our two key energy policy challenges of tackling climate change and ensuring secure energy supplies. The Renewable Energy Strategy (RES) consultation, published in the summer, identified significant additional benefits to society from renewable energy; for example £100bn worth of investment opportunities and up to 160,000 potential jobs in the UK and beyond.

61. For this reason, the UK helped secure agreement to a binding target that 20% of the EU's energy should come from renewable sources by 2020. The European Commission has proposed that the UK's contribution to reaching this target will to meet 15% of its energy needs from renewable sources by the same date. This is ambitious, representing a tenfold increase on current figures; the RES consultation is gathering views from the public and industry on the best and most cost-effective way of achieving the target. The Government has always been clear that it will not achieve these goals unless everyone—consumers, industry, sub-national and national government—plays their part.

62. We recognise that more clarity in policy is needed, particularly in new and emerging areas such as heat. Almost half of the UK's energy is used in the form of heat which in turn accounts for 47% of the UK's total carbon emissions. In addition, we have recently seen a substantial gas price rise and a growing reliance on imported gas. The Government recognises, therefore, the importance of finding more efficient and cleaner ways of generating our heat. The RES consultation has therefore proposed increasing the proportion of renewable heat we use from 0.6% today to 14% by 2020. Following on from the results of the *Heat Call for Evidence* we will publish a further consultation on our strategy for developing low carbon heat, including district heating. This will be published in the autumn alongside additional work on energy efficiency and energy savings.

## **CONCLUSION/RECOMMENDATION 5**

**The Climate Change Bill will help but the Government must minimise the inconsistencies between policies and ensure departments across Whitehall have a joined up approach to climate change. Government must also provide clear advice and help local, regional and devolved government understand how tensions in policy are to be reconciled, particularly how economic growth and sustainable development are to be prioritised. Economic and environmental policies must be integrated if we are to successfully move to a low-carbon economy. (Paragraphs 18)**

63. A cross-government focus on delivery and implementation of the climate change and energy programme, domestically and internationally, is provided by the Delivery and Strategy High Level Board (DASH Board) which has members from across Whitehall including DECC, Defra, Department for Business, Enterprise and Regulatory Reform (BERR), HM Treasury, DfT, CLG, Cabinet Office, FCO and DfID. The Board and secretariat are working to continue to make improvements which will ensure that attention is focused on priorities and risks. At Ministerial level, the Energy and Environment Cabinet sub-Committee ensures collective ministerial decision making.

64. In recognition of the wide ranging impacts to which a changing climate could give rise, the Government has also convened a cross Whitehall programme board to report to DASH with a wider departmental membership which in due course will oversee the development of a statutory adaptation programme required under the Climate Change Bill.

65. The carbon budgets to be set under the Climate Change Bill will mean that the net effect of all policies across Whitehall must be for an overall reduction in carbon emissions in order to meet the budgets. As the Prime Minister has said, "... every new policy will ... be examined for its impact on carbon emissions, not just those which reduce emissions but those which increase them. Where emissions rise in one sector we will have to achieve corresponding falls in another." Consideration is being given across Government as to the practical arrangements for managing carbon budgets, including ensuring that Ministers have the information they need to minimise the carbon impacts of all new policies and to make trade-offs where necessary.

66. The Bill requires a report to be laid before Parliament that sets out the proposals and policies being taken forward across Government to meet carbon budgets. The Bill requires that the report explains how the proposals and policies will affect different sectors of the economy, and the timescales over which they are expected to take effect. In addition, the proposals and policies prepared by Government must, taken as a whole, contribute to sustainable development.

67. As mentioned above (*paragraphs 55 to 59*), the Government has developed a coherent approach for ensuring that its policies for new development meet its environmental and economic sustainability objectives. This includes the Code for Sustainable Homes, the zero carbon commitments for domestic and non-domestic development and its national planning policies, which have delivering sustainable development at their core.

68. In its lead role for setting the overall policy framework within which RDAs operate, BERR has given a high priority to sustainability and climate change issues. The new RDA sponsorship framework requires RDAs to apply the cross-cutting principles of sustainable development to all their activities. In addition, the Regional Economic Performance PSA, on which the RDAs are tasked, contains important actions on climate change (mitigation and adaptation) in the context of economic growth. The RDAs have all signed up to set carbon reduction targets in their corporate plans and have committed to other low carbon targets, as listed in the 2007 Energy White Paper.

69. On transport, in its lead role, DfT maintains constructive working relationships with the UK devolved administrations and sub-national government, working with them on matters of common interest including climate change. DfT works with its partners to

improve the environmental performance of transport and tackle climate change. Climate change was recognised as one of the key challenges in the DfT framework document *Towards a Sustainable Transport System (TaSTS)*, published October 2007. TaSTS also recognised the need to ensure transport assets and infrastructure are properly planned, designed and maintained to be resilient to the impacts of climate change. Throughout the TaSTS process DfT has engaged with the devolved administrations and sub-national government ensuring continuous dialogue and involvement in developments.

## CONCLUSION/RECOMMENDATION 6

**Climate change is an area where one might expect to see priorities for local government being set nationally. Targets can be justified for local government on issues of national or international importance that may not be driving local priorities. All local authorities should be obliged to include the climate change indicators in their Local Area Agreements, either as negotiated targets or as voluntary targets.** (Paragraph 21)

70. The performance of all local areas is monitored against each of the indicators in the local performance framework regardless of whether targets have been set against them in LAAs. In assessing local authority performance, the Audit Commission will pay close attention to progress against all indicators. In agreeing up to 35 indicators, against which targets would be set in LAAs, considerable emphasis was placed by the Government on the importance of climate change targets within LAAs; we are pleased that such a large number (98%) have chosen to do so, with some selecting multiple climate change targets. Out of the total of 150 LAAs, 100 include targets on National Indicator (NI)186 on per capita emissions in their areas, 56 on NI 188 on adapting to climate change and 40 on NI 185 on emissions from local authority operations. This represents clear evidence that local government and their partners are choosing to respond positively to the opportunity presented by the new local performance to agree targets on addressing climate change.

71. We resisted calls for a duty on public bodies and statutory undertakers to report on adaptation, favouring instead a power for the Secretary of State to direct reporting authorities (public bodies and statutory undertakers) to report on their risks and their programme for adapting. This enables the Secretary of State to target the use of the power, so the approach recognises the relationship between central and local government and the better regulation agenda. Local authorities are making progress with NI188. If, however, future evidence suggests that local authorities are not managing climate risks, the Secretary of State could require them to report. Use of the power will be set out in a strategy within one year of Royal Assent of the Climate Change Bill. The strategy and the statutory guidance that will accompany it will be consulted upon.

72. The Government will shortly start to consider arrangements for the post-2011 local government framework. We will include consideration of the EAC's recommendation for compulsory climate change targets.

## CONCLUSION/RECOMMENDATION 7

Whether or not a local authority has included the climate change indicators in its LAA, thinking about actions to reduce emissions and to adapt to the likely changes in climate should be part of the warp and weft of decision making in local authorities. The Government must make sure that local authorities are acting to reduce emissions and adapt to climate change across their full range of activities, and that the introduction of the indicators does not compartmentalise thinking about these issues. It is not just actions taken specifically in relation to the climate change indicators that have a role to play in reducing emissions or adapting to climate change. What is important is making sure that local authorities are considering the need to reduce emissions and to adapt to climate change in all of their investment and development plans. (Paragraph 26)

## CONCLUSION/RECOMMENDATION 13

We acknowledge the impact and contribution ‘wilful individuals’ have made and they have a role to play still in championing the issue. But mainstreaming action on climate change must be more than this; it must get beyond ‘wilful individuals’ if it is to bring about the step change in the level of activity that is needed. (Paragraph 44)

## CONCLUSION/RECOMMENDATION 14

The Government must ensure policies, like the Carbon Reduction Commitment, make a difference to the way climate change is handled in local government so that it becomes an issue that engages the political leaders and senior officials and not just the band of ‘wilful individuals’ in environment teams. (Paragraph 46)

73. The Government agrees that local authorities should take into account the need to tackle climate change at all levels of decision making and in the delivery of their functions. All elected members and officials should be aware of the need to confront climate change regardless of their area of responsibility, as opposed to only those with a purely environmental role. The report produced for the Government by the Centre for Sustainable Energy (CSE) in 2005 on the local and regional contribution to addressing climate change recommended that climate change would only be treated as a priority by local and regional government if it became part of the local government performance framework. The Government agreed with this analysis and we believe that the inclusion of climate indicators in the local government performance framework is already giving rise to a cultural change under which climate change will be treated as a mainstream issue.

74. Greater transparency in local performance on addressing climate change made possible by the climate change indicators will arouse higher levels of commitment throughout local authorities. Indicator 185, which measures carbon emissions from the entire local authority estate as well as from business travel, will require an exhaustive reporting of energy use from buildings and vehicle fleet. This will enable opportunities for efficiency gains which will be cost-saving as well as carbon-cutting. Indicator 186 will help local authorities to evaluate the success of their community-wide carbon reduction policies.

75. On adaptation, the government has recognised that there are few outcome measures available to local authorities to demonstrate progress on mainstreaming adaptation. We have therefore developed NI188 'Planning to Adapt to climate change', a process indicator which allows local authorities to assess their progress towards embedding adaptation across the authority. The indicator, which assesses performance over four levels of achievement, requires the authority to declare a public commitment to tackling climate change backed up with prioritised actions, assessment of the risks and options and taking actions in key priority areas. As part of the process, the authority and partners will need to demonstrate an awareness of the impacts of climate change across the organisation and service delivery areas and to show how the assessment of climate risks are embedded in plans and processes.

76. Interest in local government's management of its own emissions is expected to grow markedly with the introduction of the CRC (*see paragraph 32*). DECC's CRC team has been in contact with numerous local authorities in England, Wales, Scotland and Northern Ireland and will continue to advise them about how they can prepare for and benefit from the CRC.

77. The statutory duty for local planning authorities on climate change in the Planning Bill will also raise the profile of climate change as an issue in local government. The duty will require local planning authorities to include in their development plan documents policies which, taken as a whole, are designed to ensure that development and use of land in their area contributes to mitigating and adapting to climate change.

78. The provisions in the Local Transport Bill and the Local Transport Plan (LTP) guidance will also strengthen local authorities' obligation towards addressing climate change. The Local Transport Bill, currently before Parliament, includes a duty for local authorities to have regard to the Government's policies on protecting or improving the environment when developing and implementing their plans. Authorities will also be required to have regard to Government guidance. DfT plans to consult on draft LTP guidance in December 2008. It is expected that this guidance will cover how local authorities would need to address climate change in developing future LTPs. In doing so, the guidance is likely to reflect the emerging direction of DfT's "*Towards a Sustainable Transport System*" strategy. Following consultation, DfT aims to issue final guidance in spring/summer 2009. LTPs are due for renewal in April 2011.

79. The Government has also amended the Climate Change Bill to introduce new powers that will require public authorities to assess, where necessary, the risks of climate change and set out what action they need to take in response. The Bill will also provide for statutory guidance to help public authorities understand how to assess the risks of climate change and plan any related action.

## CONCLUSION/RECOMMENDATION 8

**The assurance that the new performance framework is delivering will come from the independent Comprehensive Area Assessments carried out by the Audit Commission and other local inspectorates. We commend the work done by the Audit Commission and its partners to develop the framework for inspection. The Government must ensure that this work is adequately resourced and that the Audit Commission and the other inspectorates are able to recruit and develop the skills and expertise they will need. (Paragraph 28)**

80. The Government agrees with the EAC that the inspectorates should be resourced sufficiently to perform their assessment and assurance role. In the case of the Audit Commission, this resourcing will come through a combination of Government grant funding and client fees. We also agree that the inspectorates will need to ensure that they recruit and develop the skills and expertise that they need.

81. The Government understands that all 42 of the Audit Commission's CAA Leads (CAAL), who will coordinate the assessment in local areas, are in post and regional teams have been established with knowledge and skills covering areas of national policy. A skills and knowledge training programme for CAALs has been put in place. Audit Commission regional service leads on environment and sustainability have access to a knowledge network which has a remit to share knowledge, good practice examples and discuss national policy issues and local impact. Organisations including DECC, Defra, the Carbon Trust and UKCIP participate in this network.

## CONCLUSION/RECOMMENDATION 9

**We would expect that where the climate change indicators on reducing CO<sub>2</sub> are included in a Local Area Agreement they will be accompanied by improvement targets that would be in line with, or run ahead of, national targets. It is important that targets are based on good data. Baselines will need to be set carefully. Targets for the adaptation indicator are much more difficult to construct; the indicator is about planning to adapt rather than measuring an outcome. The Government will need to help local authorities develop appropriate targets on adaptation. (Paragraph 35)**

82. The Government agrees that national targets should inform local and regional target setting. However, different local circumstances mean that we do not feel it would be appropriate to require local and regional bodies to set targets that are equally or more stringent than national ones. The Government, through its regional Government Office network, has agreed targets for carbon reduction for local authorities that are ambitious but realistic. In addition to an element of emissions reduction that is anticipated from national measures, the targets include a proportion of reduction that is attributed to local authority measures acting in conjunction with national measures and a proportion resulting purely from local action.

83. We agree that it is important that the climate change mitigation indicators, against which emissions reduction targets are set in the local government performance framework, are based on good data. For NI 186 on per capita emissions in local authority areas, data is disaggregated from the National Atmospheric Emissions Inventory (NAEI) which is

subject to verification by the United Nation's Framework Convention on Climate Change. The local authority level disaggregated data is recognised independently by the Office of National Statistics and these data are published as National Statistics. Sources of emissions over which local authorities have little potential to influence such as oil refineries and motorways have been excluded for the purposes NI 186. Targets that are set against NI 186 will be from a 2005 baseline.

84. The data used for NI 185, on emissions from local authority operations, are supplied to the Government by local authorities through a data collection tool. The quality and completeness of the data submitted by local authorities is subject to independent inspection by the Audit Commission. The baseline for NI 185 will be set in summer 2009 once the emissions data from financial year 2007/8 is calculated.

85. As the EAC acknowledges, providing outcome measures on adaptation is far from straight forward. Many policy levers are designed to avoid serious impacts or to maintain existing services or objectives where a changing climate could impact on delivery. In both cases, establishing a baseline is difficult, if not impossible—you cannot easily measure the absence of impact, or measure events where the drivers are not constant.

86. To ensure that there are robust and measureable assessment criteria in place to measure local authority progress on NI188, Defra has convened a sub-group of the LRAP Board to oversee the development of appropriate guidance and self assessment tools.

87. Whilst NI188 will remain the key indicator for measuring adaptation at the local level, in *Adapting to Climate Change in England: a framework for action*, the government has committed to developing a wider range of national level indicators to ensure there is a robust mechanism to measure the effectiveness of the Government's new programme. It is expected that these will include indicators on outcomes not just process. We will work to ensure that the appropriate links are made to the local level indicators and consult with local authority representatives when developing these further.

## CONCLUSION/RECOMMENDATION 10

**We are encouraged that many of those who have set targets have demonstrated clear leadership and set targets that are more ambitious than the national targets. We understand the concerns the Government has about disaggregating national targets. The Committee on Climate Change will need to assess whether the sum of all the different spatial and sectoral approaches puts the UK on track to meet its targets for reducing emissions. If national targets are not disaggregated they should at least inform local target setting; regional government has a particular role to play in ensuring that local targets take account of both local factors and national targets. (Paragraph 36)**

88. Under the Climate Change Bill, both the Government and the Committee on Climate Change must have regard to impacts on particular sectors of the economy, as well as to differences in circumstances between England, Wales, Scotland and Northern Ireland, in connection with carbon budgets. In advising Government on targets and carbon budgets, it is likely that the Committee will wish to consider any regional local, or sectoral targets and their effects.

89. As mentioned above (*paragraph 82*), the Government agrees that national targets should inform local and regional target setting, but believes that different local circumstances must be taken into account. In negotiating carbon reduction targets in LAAs the key objective was to demonstrate environmental leadership by working in partnership across their area to reduce carbon dioxide emissions and to bring about behaviour change now in ways that will help achieve the longer term 2020 and 2050 objectives.

## CONCLUSION/RECOMMENDATION 11

**The Government should ensure that local, regional and devolved governments are aware of the range of targets beyond those on emissions and adaptation that action on climate change supports, like for example indicators on biodiversity, energy and energy efficiency. (Paragraph 37)**

90. We agree with the EAC that sub-national government should be aware of the range of targets that action on climate change can support, beyond those purely on climate change. Defra wrote to all regional Government Offices earlier this year advising them that NI indicator 186 (the “community carbon emissions indicator”) offers the potential to achieve additional positive outcomes under other local economy and sustainability indicators.

91. The Government has alerted sub-national government to the important relationship between climate change mitigation and renewable energy supply in its *Energy Measures report* (*see paragraph 28*). The same report also sets out the valuable benefits to combating fuel poverty which can be gained from taking action on climate change.

92. We would also draw attention to the relationship between climate change mitigation and air quality. The Air Quality Strategy for England, Scotland, Wales and Northern Ireland highlights the important co-benefits that exist when considering policies to reduce air pollutants and green house gases at the same time. Devolved administrations and local authorities are encouraged to seek win-win solutions where possible when working towards the objectives contained in the Air Quality Strategy and indicator 3 of PSA 28. Furthermore, national indicator 194 on emissions of particulate matter and oxides of nitrogen from local authority estates and operations will see authorities seeking similar win-win solutions that enable them to also perform well against national indicator 185 on emissions of carbon dioxide, and vice-versa. The data collection tool which the Government has designed for local authorities to gather data on carbon emissions from local authority operations will also be used to supply data on emissions which effect air quality.

93. As with the mitigation of climate change indicators in the local government performance framework, there is a close relationship between delivery of NI 188 and the delivery of several other indicators and targets within the indicator set. Adapting to climate change will form part of the assessment of several of the indicators. Conversely, evidence provided as part of the other indicators, for example flooding and biodiversity, will contribute to the evidence of achievement under NI188. On biodiversity, we have issued guidance to local authorities in respect of the new national indicator on biodiversity which makes clear the positive conservation of local sites benefits both our fauna and flora and the ecosystem services they provide, such as air, water and soil quality that help mitigate

effects, such as flooding and pollution that can stem from climate change. In addition, as highlighted above, we have committed to the development of a wider range of national indicators (*see paragraph 87*).

94. We will explore how the emerging National Improvement and Efficiency Strategy and the Climate Change Best Practice Programme (*see paragraphs 105 to 114*) can help local government promote natural synergies between climate change and other indicators.

## CONCLUSION/RECOMMENDATION 12

**The Nottingham Declaration has been useful in providing a starting point for action by local authorities but these public commitments must be turned into real actions; this must be about more than a framed copy of a declaration hung in the reception area of a council building. Assessment and verification is important and the Government should work with the Nottingham Partners to develop a scheme that combines self-assessment and external verification of actions. The Government and the Audit Commission should examine what role such a scheme could play in assessing the performance of local authorities as part of Comprehensive Area Assessments and therefore what priority should be given to developing some kind of externally verified scheme. (Paragraph 42)**

95. The Nottingham Declaration has been of tremendous value in raising the profile of climate change in local government and has been supported by the Government since its inception. The Nottingham Declaration partnership is represented on the LRAP Board (*see paragraph 24*). As one of its greatest strengths lies in it being a local government initiative, the Government would naturally be reluctant to assume responsibility for charting the Nottingham Declaration's future direction. We would nevertheless encourage any development in the scheme which would result in more effective effort to combat climate change and would be willing to work with the Audit Commission, the Carbon Trust and other bodies in providing any guidance and expertise which the Nottingham Declaration Partners may require. The Government liaises closely with the Nottingham Declaration partnership; for example they are standing members of the LRAP Board and will explore options with them for its future development.

## CONCLUSION/RECOMMENDATION 15

**The Government should consider what part carbon impact assessments should play in local, regional and devolved government. It should assess what support would be needed to allow carbon impact assessments to play a central role in local, regional and devolved government decision and policy making process and then issue guidance to encourage their use. It must also look at the extent to which the organisation of budgets and funding streams is a barrier to a whole-life costing approach. (Paragraph 47)**

96. The Government agrees with the EAC on the importance of assessing the carbon impact of policies. We expect that the introduction of the new climate change indicators will act as a catalyst for the systematic use of carbon appraisal, especially by those local authorities which have signed up to carbon reduction targets. The Government will nevertheless consider how it could provide support for the greater use of carbon impact assessment in local and regional government and the possibility of providing guidance.

97. Sustainability appraisals supporting preparation of regional and local planning strategies, already assess the likely effects of new development, including likely impacts on carbon emissions. Our planning policies on climate change, including the new PPS on climate change, expect regional and local government to plan new development to limit carbon dioxide emissions and sustainability appraisal to be used to shape planning strategies that help achieve this.

98. We do not believe that the organisation of budgets and funding streams in local government represents a barrier to a whole-life costing approach. Local authority revenue funds can be transferred to capital budgets to fund capital expenditure. Savings from revenue may also contribute to the cost of self-financed borrowing for capital expenditure, including investment in measures to address climate change. Furthermore, the Prudential System allows local authorities to borrow for capital expenditure without Government consent, provided that they and their auditors are satisfied that they can afford to meet the borrowing costs. These associated borrowing costs must be met from revenue.

## CONCLUSION/RECOMMENDATION 16

**We believe that the current approach to a statutory power to tackle climate change is correct. There are already powers for local government that permit action and the lack of a statutory duty does not seem to be holding back the more innovative local authorities. The Government should examine carefully the case for improving the statutory underpinning for action on climate change; each new bill should be examined to see what scope there is for requirements on local, regional and devolved government to be inserted in order to focus attention and increase activity. The Government should be ready to intervene early if there are any indications that the steps it has taken are not delivering the kind of change in the level of activity on climate change that is needed. (Paragraph 51)**

99. The Government welcomes the Committee's support for its approach on duties. The Government is continually reviewing the need for legislation on climate change, including action that can be undertaken by sub-national government. Where a need for legislation is identified, the appropriate legislative vehicle will be used to take this forward. This has recently been demonstrated by the duty in the Planning Bill (*see paragraph 77*) and the GLA Act (2007) was also used as a vehicle for requiring action on climate change by the GLA and London Assembly.

100. The Government will be prepared to intervene if it believes that the steps it has taken are not delivering the scale of change which it believes is necessary. It is important to point out that the new climate change indicators in the local government performance framework, which the Government regards as key for encouraging greater action at a sub-national level, have only recently been introduced and it is too early at this stage to gauge their impact. We will monitor these indicators and consider how they can be built upon in further iterations of the performance framework. As mentioned above (*paragraph 71*), the Climate Change Bill will give the Secretary of State new powers to intervene in respect of climate change adaptation.

## CONCLUSION/RECOMMENDATION 17

**There is a difference between a discretionary power, like the well-being powers introduced by the Local Government Act 2000, which allows a council to take some action, and a statutory duty that forces them to take some action. With discretionary powers advice, guidance and action to spread best practice become crucial. The poor take up of the well-being powers shows there are lessons to be learned from their introduction and welcome the fact that guidance will be published shortly following on from an evaluation of them. The Government should take steps to encourage councils to use the powers available to them creatively and innovatively to reduce emissions and drive forward work on adaptation. (Paragraph 55)**

101. Over recent years, the evidence is clear that a top-down, one-size-fits-all approach is not the most effective in achieving the outcomes we all want to see, particularly in terms of influencing the views and behaviour of citizens.

102. It is important to recognise that every place is different with distinctive strengths and needs. The new local performance framework therefore enables us to deliver on national priorities, such as addressing climate change, in a way that reflects the particular needs and concerns of local people. Moreover, beyond the national performance measures, the framework allows creativity for local areas to develop their own indicators—there have been well over 100 such local measures across the country addressing environmental sustainability issues.

103. The combination of national performance measures and local targets through the new local performance framework demonstrates that we are beginning to tap the creativity and innovation of local areas to develop their well-being powers into environmental outcomes for local people. Each LAA is subject to an annual review, the first of which occurs this autumn/winter, and this will provide an opportunity to gather evidence about delivery against the ambitious targets local areas have set to address climate change.

104. CLG will shortly be publishing ‘*Practical use of the Well-Being Power*’, which draws on evaluation findings to highlight ways in which the Power has been used and suggest ways it could be used more in the future. Case studies include the use of the Well-Being Power to establish a waste transfer station and to develop wood heat technology in schools.

## CONCLUSION/RECOMMENDATION 18

**Building skills and knowledge in local and regional government is key. There is a real risk that, if the changes in the performance management and policy frameworks deliver a step-change in activity, the bodies providing support could be overwhelmed by demand. The Government should review the level of support available and ensure that action is taken to address any gaps in skills, including identifying how this extra support and action to address gaps in skills is to be funded. This will be vital in the priority areas identified by the LGA’s Commission on Climate Change. (Paragraph 61)**

105. The Government agrees that developing the local government skills and knowledge base is critical in enabling strong performance in addressing climate change. In establishing the National Improvement and Efficiency Strategy (NIES), which was agreed by central

and local government and supported with £380m of funding over the next 3 years, support for the new local authority performance framework has been considered.

106. The NIES established the key principles of simplification, devolution and rationalisation. One of the key issues it will try to address is evidence that current arrangements have caused confusion and duplication and not always offered value for money. The real challenge is making sure the right support is available and is simple to access. There may be scope for rationalising and simplifying existing arrangements and RIEPS which are a key part of the delivery arrangements agreed may be crucial in this endeavour. An important workstream will be mapping existing support arrangements so that we can better identify roles and responsibilities, unnecessary overlaps and duplication and address gaps in skills and value for money.

107. The joint DECC and CLG funded £4m Climate Change Best Practice Programme, announced in March 2008, will operate in conjunction with the RIEPs and be largely delivered by them at a regional level. The Programme will provide support and encouragement to local authorities to help them deliver effectively specifically against the climate change requirements of the new local government performance framework. The Improvement & Development Agency (IDeA) has been appointed to act as the national programme coordinator. An advisory panel bringing together central government, RIEPs, local government and delivery bodies such as the Carbon Trust, the Energy Saving Trust and the UKCIP helps to guide and steer the development and delivery of the programme.

108. In addition to the support offered through the RIEPs, local and regional government will continue to be supported by the Carbon Trust and Energy Saving Trust. The Carbon Trust's five-step Carbon Management programme brings together change management and technical expertise to help local authorities develop long-term strategies for carbon savings. It offers tailored support to local authorities, focusing on peer mentoring and knowledge sharing between authorities. The Carbon Trust's Bespoke Service provides local authorities with more tailored technical support. It can help build on the strategic foundation that Carbon Management provides in order to take a detailed step towards the implementation of technical projects. The service is match-funded 50/50 between the Carbon Trust and the local authority.

109. Partnerships for Renewables (PFR) has been established by the Carbon Trust to work in partnership with public sector bodies to develop, construct and operate renewable energy projects on public sector land. PFR finances the costs of project development and resultant capital expenditure, thereby providing a low-risk opportunity to access the economic and environmental benefits associated with renewable energy.

110. In collaboration with South East England Development Agency (SEEDA), the Carbon Trust has developed a model for working with RDAs, providing services to small businesses through Business Link, with the aim of developing a model which can be rolled out across England. This may include developing, cost-effectively, more hands-on implementation services to smaller customers. As part of this, the Carbon Trust's key account managers in the English Regions have helped train Business Link advisors for Yorkshire Forward and SEEDA on how to work with their own customers to find carbon reduction opportunities.

111. The Energy Saving Trust's community partnership work stream provides advice and support and some funding to local authorities, regional bodies, social housing providers and the community sector. These include Practical Help, a tailored source of information and support on delivering energy efficiency to their communities as well as one-to-one support.

112. The Government Office network has organised workshops in each English region involving both the Carbon Trust and Energy Saving Trust to provide guidance to local authorities in performing effectively against the indicators on climate change mitigation in the local authority performance framework. The current series is underway and is due to be completed by the end of November 2008.

113. The DfT will shortly consult on draft Local Transport Plan guidance to inform local authorities' transport planning in the future (see paragraph 78). A key area for this guidance to address will be the need to build and maintain capacity in local authorities to deal with a range of issues, including climate change adaptation and mitigation.

114. Specifically on adaptation, support has been provided by the Government to local and regional authorities since 1997 through UKCIP. UKCIP supports organisations, including local authorities, by providing the evidence and tools to help them assess the risks from a changing climate. In recognition of the additional demands, Defra has recently increased funding to UKCIP to expand its knowledge transfer activity to local government. In addition, as mentioned above (see paragraph 24), we are working with the LRAP Board partners including UKCIP to deliver a 3 year programme of support to local and regional bodies on adaptation.

## CONCLUSION/RECOMMENDATION 20

**We urge the Government to review how the Review of Sub-National Economic Development and Regeneration addresses sustainable development and ensure that the opportunities it offers for improving local and regional co-operation on climate change issues are taken. (Paragraph 69)**

115. The Government agrees with the EAC that the need to tackle climate change should be a central consideration in regional governance. This is reflected by the emphasis placed in the SNR on addressing climate change (*see paragraph 18*). The new regional strategy would continue to be subject to effective sustainability appraisal and be in line with the Planning Policy Statement on Climate Change. They will also be expected to support the move to a low carbon economy to deliver the objectives set out in the Climate Change and Energy Bills.

116. Ministers are expected to make an announcement in due course on the Government's response to the SNR consultation, including on how the recommendation for an integrated regional strategy will be taken forward.

## CONCLUSION/RECOMMENDATION 21

**We commend the good co-operation between central Government and the devolved administrations on climate change. The Government must maintain the good will that exists in this area by ensuring it consults the devolved administrations as early as possible on cross-border issues. The Government, in consultation with the devolved administrations, should review the devolution settlements to see if there are any areas where action on climate change is being hampered either by asymmetric devolution or by the way reserved and devolved powers interact. (Paragraph 71)**

117. The Government values the cooperative and productive working arrangements with the devolved administrations that have developed in the field of climate change. We will continue to consult closely with the administrations on such matters and will consider ways in which our joint working can be improved. A recent instance of effective joint working was the discussion and agreement on renewable energy at the plenary meeting on 25 June 2008 of the Joint Ministerial Committee—the first for some years—which brings together the government and the most senior figures in the devolved administrations. The Committee will in the future offer a forum in which ministers of the UK Government and devolved administrations can if necessary discuss further improvements to working relations in this field.

## CONCLUSION/RECOMMENDATION 22

**Adaptation must be a higher priority. We are concerned that adaptation has been treated as the poor relation of work on mitigation and not nearly enough attention has been paid to it. The Government must accelerate plans to bring forward the national adaptation framework and then ensure that adaptation is properly reflected in the work of local, regional and devolved government across the UK. (Paragraph 77)**

118. We welcome the Committee's recognition of the importance of a two pronged approach to climate change which looks to tackle both mitigation and adaptation. Since the Committee's enquiry, on 24 July 2008 the Government launched *Adapting to Climate Change in England: a framework for action* and the Adapting to Climate Change website (see paragraph 29). The framework sets out current Government action on adaptation and charts the path to a statutory adaptation programme which we expect to be in place in 2012.

119. As indicated above, 56 LAAs have included NI188 as a priority and several more have included it as a local indicator. We will continue to work through the LRAP Board and the wider Governmental adaptation programme to ensure that local and regional government has access to the information they require to adapt.

120. As stated above (paragraph 71), the Climate Change Bill will bring in new powers for the Secretary of State to direct reporting authorities (public bodies and statutory undertakers) to report on the risks to their organisation from Climate Change and their programmes for adapting to those risks. The Secretary of State may also issue statutory guidance for the use of reporting authorities subject to a direction to help them with this. The Bill will also introduce a new Adaptation Sub-Committee to the Committee on Climate Change which will provide robust scientific and technical advice to the

Committee, and through them to Government, on the UK Government's climate change risk assessment and programme for adaptation. The combination of these measures should raise the profile of adaptation to climate change substantially.

## List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

### Session 2007–08

First Report	Are biofuels sustainable?	HC 76-I & -II (HC 528)
Second Report	Reducing Carbon Emissions from UK Business: The Role of the Climate Change Levy and Agreements	HC 354 (HC 590)
Third Report	The 2007 Pre-Budget Report and Comprehensive Spending Review: An environmental analysis	HC 149-I & -II (HC 591)
Fourth Report	Are Biofuels Sustainable? The Government Response	HC 528 (HC 644)
Fifth Report	Personal Carbon Trading	HC 565 (HC 1125)
Sixth Report	Reaching an international agreement on climate change	HC 355 (HC 1055)
Seventh Report	Making Government operations more sustainable: A progress report	HC 529 (HC1126)
Eighth Report	Climate change and local, regional and devolved government	HC 225 (HC 1189)
Ninth Report	Carbon capture and storage	HC 654)
Tenth Report	Vehicle Excise Duty	HC 907
Eleventh Report	The Exports Credit Guarantee Department and Sustainable Development	HC 929
Twelfth Report	Greener homes for the future? An environmental analysis of the Government's house-building plans	HC 566
Thirteenth Report	Halting biodiversity loss	HC 743

### Session 2006–07

First Report	The UN Millennium Ecosystem Assessment	HC 77 (HC 848)
Second Report	The EU Emissions Trading Scheme: Lessons for the Future	HC 70 (HC 1072)
Third Report	Regulatory Impact Assessments and Policy Appraisal	HC 353 (HC 849)
Fourth Report	Pre-Budget 2006 and the Stern Review	HC 227 (HC 739)
Fifth Report	Trade, Development and Environment: The Role of FCO	HC 289 (HC 1046)
Sixth Report	Voluntary Carbon Offset Market	HC 331 (HC 418)
Seventh Report	Beyond Stern: From the Climate Change Programme Review to the Draft Climate Change Bill	HC 460 (HC 1110)
Eighth Report	Emissions Trading: Government Response to the Committee's Second Report of Session 2006–07 on the EU ETS	HC 1072
Ninth Report	The Structure of Government and the challenge of climate change	HC 740 (HC 276)

**Session 2005–06**

First Report	Greening Government: the 2004 Sustainable Development in Government Report	HC 698
Second Report	Sustainable Timber	HC 607 (HC 1078)
Third Report	Sustainable Procurement: the Way Forward	HC 740
Fourth Report	Pre-Budget 2005: Tax, economic analysis, and climate change	HC 882 (HC 195)
Fifth Report	Sustainable Housing: A follow-up report	HC 779
Sixth Report	Keeping the lights on: Nuclear, Renewables, and Climate Change	HC 584 (HC 196)
Seventh Report	Sustainable Development Reporting by Government Departments	HC 1322 (HC 1681)
Eighth Report	Proposals for a draft Marine Bill	HC 1323 (HC 1682)
Ninth Report	Reducing Carbon Emissions from Transport	HC 981
Tenth Report	Trade, Development and Environment: The Role of DFID	HC 1014 (HC 197)
Eleventh Report	Outflanked: The World Trade Organisation, International Trade and Sustainable Development	HC 1455 (HC 354)
Twelfth Report	Transport Emissions: Government Response to the Committee's Ninth Report of Session 2005–06 on Reducing Carbon Emissions from Transport	HC 1718