



National Audit Office

# CENTRAL GOVERNMENT SUPPORT FOR LOCAL AUTHORITIES ON CLIMATE CHANGE

**BRIEFING TO THE ENVIRONMENTAL AUDIT COMMITTEE**  
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This review was undertaken by:  
Katy Losse under the direction of  
Joe Cavanagh.

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For further information about the National Audit Office please contact:  
National Audit Office  
Press Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP  
Tel: 020 7798 7400  
Email: [enquiries@nao.gsi.gov.uk](mailto:enquiries@nao.gsi.gov.uk)  
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## Executive Summary

1. This briefing paper is provided in response to a request from the Environmental Audit Committee that the National Audit Office provide information on local authorities and climate change. This briefing paper explains:
  - what funds central government provides to local authorities on climate change;
  - what expectations or targets central government has set; and
  - what is known about performance.
2. Local authorities have a key role in reducing carbon emissions in the UK in their roles as estates managers, service providers and community leaders, and in helping to deliver a number of policies aimed at reducing carbon emissions. The UK government recognises the importance of local authorities in helping achieve its national objectives on climate change. Whilst emissions from local authorities' own estates are of the order of one per cent of UK carbon emissions each year, they are also responsible for or involved in other areas (for example, transport and education) which generate carbon emissions.
3. One way in which government encourages local authorities to act to tackle climate change is to provide targeted funds to help them do so. There are a small number of funds aimed solely at helping local authorities reduce carbon emissions; a larger pot of money is accessible by a range of organisations, including local authorities. In addition, in principle local authorities can use a proportion of the other funds it receives from central government (as well as local revenues) to further climate change objectives, or at least in ways that are consistent with climate change objectives, subject to the constraints of the local government performance framework.
4. This performance framework, however, does not have an explicit focus on climate change, with no mandatory outcome based targets. Government has committed to including an appropriate focus on climate change in the new performance framework to be introduced in 2009. Other policy developments in train will also set further requirements of local authorities.
5. Although over 200 local authorities have made high level commitments to climate change, surveys and research analysis suggests a mixed picture of performance, with few replicating the achievements of the best. The Local Government White Paper suggested that if all local authorities performed as well as the best, UK emissions would drop significantly.
6. Climate change issues are not restricted to reducing climate change emissions; a certain degree of climate change is inevitable and hence adapting to the consequences of climate change will also be necessary. The main way central government supports local authorities to adapt to the effects of climate change is through the UK Climate Change Impacts Programme (UK CIP) which helps organisations, including local authorities, assess their vulnerability to climate change.

# Central government support for local authorities on climate change

Local authorities play an important role in tackling climate change

1. Local authorities undertake a range of activities that can affect emissions of carbon dioxide in the UK. As such, they have an important role in helping to deliver a number of climate change policies. Local authority activity that affects carbon emissions covers all three roles that local authorities play: as estate managers, service providers, and community leaders (Figure 1).

Figure 1: Local authorities can influence carbon emissions through their roles as estate managers, service providers and community leaders

Role	Examples of activities that can influence carbon emissions
Estate manager	• Energy use
	• Procurement
	• Staff travel
Service provider	• Management of social housing
	• Waste management
	• Local transport planning and infrastructure
	• Enforcing building regulations
	• Responsibility for the planning system
	• Responsibilities for schools and care homes
Community leader	• Advice and information to local citizens
	• Advice and information to local businesses

2. Local authorities' influence extends much wider than their own estates. Local authority emissions from their own estates are estimated to be of the order of one per cent of UK carbon dioxide emissions.<sup>1</sup> However, their influence extends much more widely with local authorities expected to be responsible for expenditure of £145bn<sup>2</sup> in 2006-07- around 26 per cent of total

<sup>1</sup> Estimate taken from the Centre for Sustainable Energy's July 2005 paper: *Local and regional action to cut carbon: an appraisal of the scope for further CO<sub>2</sub> emission reductions from local and regional activity*. p61 gives an estimate of emissions from the local authority estate of 1.5MtC a year, with a further 0.4MtC from staff travel, though this is an estimate only. UK carbon dioxide emissions in 2005 were around 150MtC (to two significant figures) (2005 is the latest year for which there is verified data) : see e-digest of Environmental Statistics, Jan 07 <http://www.defra.gov.uk/environment/statistics/globatmos/download/xls/gafq05.xls>

<sup>2</sup> Table 5.1, *Public Expenditure Statistical Analyses 2006*, Local Authority Expenditure [http://www.hm-treasury.gov.uk/economic\\_data\\_and\\_tools/finance\\_spending\\_statistics/pes\\_publications/pespub\\_pesa06.cfm](http://www.hm-treasury.gov.uk/economic_data_and_tools/finance_spending_statistics/pes_publications/pespub_pesa06.cfm)

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managed public expenditure<sup>3</sup> and 11 per cent of GDP.<sup>4</sup> But it would not be easy to derive any meaningful estimate of the totality of local authorities' influence on climate change, in terms of tonnes of carbon emissions.

3. Because local authorities have responsibility for such a range of activities, they play an important role in a number of the policies that constitute the UK's Climate Change Programme - the package of measures designed to put the UK on course to achieving its international targets on carbon emissions. The extent of involvement varies; in some activities they have a key delivery role, in others they are facilitators or enablers, and in yet others they are a target audience. Figure 2 illustrates the different roles local authorities play, while Appendix 1 gives a full list of the main policies they help deliver.

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**Figure 2: Local authorities play different roles in a range of policies in the UK Climate Change Programme**

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*In a key delivery role: Waste policy.* Local authorities have to meet targets to reduce the amount of biodegradable waste going to landfill in their areas. Biodegradable waste in landfills is a significant source of methane emissions and reducing this is an important strand of UK waste policy.

*As facilitators/enablers: Warm Front and Fuel Poverty schemes.* Local authorities can help promote the take up of fuel poverty schemes such as Warm Front, which provide grants for insulation and heating measures to vulnerable households. The primary aim is to help provide energy efficiency measures to the most vulnerable households and, by doing so, alleviate fuel poverty, but a secondary benefit is a reduction in greenhouse gas emissions.

*As a target audience: The revolving loan fund for the public sector.* This fund provides interest free loans to public sector organisations to fund energy efficiency projects. Around half of its efforts are targeted at local authorities.

**There are funds from central government, but these are limited**

4. Central government also provides some targeted funds that local authorities can access to help tackle climate change. There are a small number of funds aimed solely at local authorities; a larger pot of money is accessible by a range of organisations, including local authorities (see Figure 3). For more information on these funds see Appendix 2.

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<sup>3</sup> *Public Expenditure Statistical Analyses 2006*, [http://www.hm-treasury.gov.uk/media/376/24/cm6811\\_02\\_Chap\\_1.pdf](http://www.hm-treasury.gov.uk/media/376/24/cm6811_02_Chap_1.pdf)

<sup>4</sup> *Public Expenditure Statistical Analyses* [http://www.hm-treasury.gov.uk/media/376/8A/cm6811\\_04\\_Chap\\_3.pdf](http://www.hm-treasury.gov.uk/media/376/8A/cm6811_04_Chap_3.pdf).

**Figure 3: Funds that local authorities can access to help tackle climate change**

Type of fund	Main funding streams	Allocated funds <sup>5</sup>	
		In 2006-07 to local authorities	In total, to all organisations, over the lifetime of the measure
Funds open only to local authorities	Sustainable Travel Towns	£2m	£10m
	Cycling Demonstration Towns Project	£3m	Up to £8.4m
Wider Schemes open to a range of organisations including local authorities	Low Carbon Buildings Programme	£0.9m	£86m
	Community Energy Programme	£10m	£25m
	Revolving loan fund for the public sector	£10m	£24m
	Bio-energy Capital Grants Scheme	£2.5m	At least £10m
	Climate Challenge Fund	£1.2m	£9m
	Innovation Programme	0	£9m

Note: Government also funds best practice organisations and programmes to support local authorities in their efforts to tackle climate change, see figure 5 for more information.

Source: *Department for Environment Food and Rural Affairs (Defra)*

5. These specific funding streams are small in relation to local authorities' planned expenditure for 2006-07 - some £145bn, of which central government provides some £110bn (76 per cent) in one form or another.<sup>6</sup> Some of these funding streams, however, have climate change objectives as one part of a set of broader objectives. Funds devolved to local authorities through the Building Schools for the Future programme, for example, are allocated for maintaining and improving school buildings, including improving the sustainability of these buildings. In addition, local authorities can use a proportion of their non-specific funds to further climate change objectives, or at least in ways that are

<sup>5</sup> Figures provided by the Department for Environment Food and Rural Affairs and not independently verified by the NAO

<sup>6</sup> In 2006/07 local authority self financed expenditure is planned to be £27bn, while expenditure funded by central government comprises £110bn (consisting of £30bn from the Revenue Support Grant and non-domestic rate payments, £27bn from the Dedicated Schools Grant, £18bn from other Specific and Special Grants, and £37bn from other central government support). A further 7bn is accounted for by accounting and other adjustments. (Numbers do not sum due to rounding). Table 5.1, *Public Expenditure Statistical Analyses 2006*, Local Authority Expenditure.

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consistent with climate change objectives; since 2000 local authorities have had an explicit mandate to take action on wider quality of life issues such as climate change, through the legal 'wellbeing' powers established in the Local Government Act 2000.<sup>7</sup>

6. This mandate is reinforced by particular requirements or expectations central government has set for local authorities. At a strategic level Defra and the Local Government Association have issued guidance that Community Strategies, which set out the long term vision for a local area, should become *Sustainable* Community Strategies by developing a stronger focus on integrating social, economic and environmental issues and by tackling the longer-term and global impacts of communities. At a more detailed level are requirements such as that in the Education and Schools Bill 2006, which requires local authorities to plan for sustainable travel for pupils on the journey to and from school. Local Area Agreements also form a new and increasingly important route for central government funding of local authorities, which can include climate change outcomes (see Figure 4).

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**Figure 4: Local Area Agreements are an increasingly important route for central government funding of local authorities and can include climate change**

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Local Area Agreements are delivery agreements between central government and the top tier of local government specifying agreed outcomes, supporting indicators and the funding streams which will be used to achieve them. They permit funds previously allocated for specific purposes, to be 'pooled': local authorities, in partnership with the Local Strategic Partnership, can decide how the money is spent, so long as they meet the outcome targets which are specified in their LAAs.

LAAs are expected to cover all local spending - largely covering social and community programmes unconnected with climate change policy, although there are some aspects with climate change consequences. Local strategic partnerships producing LAAs can, if they wish, increase the profile given to climate change in their LAA.

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<sup>7</sup> This Act introduced a new power for local authorities to promote the 'environmental, economic and social well-being' of their communities. It was introduced to address the concern that innovation was being stifled by local authority concern over the scope of their powers. It aimed to encourage councils to look beyond their immediate service delivery responsibilities to the wider well-being of their areas. However, research suggests few local authorities are actually using these powers to support sustainable energy initiatives. See *Local Authority Legal Powers to Promote Sustainable Energy*, Impetus Consulting Limited, May 2006 [http://www.impetusconsult.co.uk/PEET\\_R.pdf](http://www.impetusconsult.co.uk/PEET_R.pdf)



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7. Finally central government also funds a range of organisations that support local authorities in their efforts to reduce carbon emissions, disseminate best practice and carry out research (see Figure 5).

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**Figure 5: Best practice organisations and programmes**

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The Climate Change Programme launched a £4m best practice programme to incentivise more local authorities to achieve the level of the best. This will build on the work carried out by councils awarded 'Beacon' status for their efforts on sustainable energy in 2004-05. The next round of the Beacon awards will also include a theme on tackling climate change.

The Carbon Trust and Energy Saving Trust offer advice and support on reducing greenhouse gas emissions to a range of organisations including local authorities.

The Local Government Association has established a Climate Change Commission to investigate and offer recommendations on how local authorities could tackle climate change more effectively. The Improvement and Development Agency also supports and promotes local authority action on climate change.

**Climate change is not an explicit part of the local government performance framework**

8. Another main vehicle for steering local authority spending, and for monitoring local authorities' use of their funds, is the local government performance framework (see Figure 6). This includes some requirements, targets and indicators for local authority action to combat climate change, such as energy efficiency, or recycling rates, although the Climate Change Programme acknowledged that it does not yet include enough 'outcome-focused' content on climate change.<sup>8</sup> Local authorities can, however, choose to set their own targets and indicators on climate change issues, and are encouraged to report against the Audit Commission's Quality of Life indicators, a set of voluntary indicators, which include measures such as carbon dioxide emissions per capita.

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<sup>8</sup> "Government recognises that the local government performance framework does not yet include the outcome-focused content on climate change which would reflect the importance of climate change and the potentially critical role local government will need to play in this in the short medium and long term". HM Government, *Climate Change, the UK Programme 2006*

**Figure 6: Targets, indicators and reporting arrangements for local authorities on climate change**

	<b>Mandatory</b>	<b>Voluntary</b>
<b>Targets</b>		Local targets Local Area Agreements
<b>Indicators and reporting arrangements</b>	Comprehensive Performance Assessment	Quality of life indicators
	Home Energy Conservation Act	Eco-footprint Locally set indicators Local reporting

Note:

The Comprehensive Performance Assessment process is shown as setting both targets and indicators, though the emphasis of the process is on indicators; only three indicators are linked to national targets.

More information about each of these requirements and indicators is included as Appendix 4.

*Source: National Audit Office*

9. Government may set further requirements or performance targets as part of the changing performance framework. However, the overarching performance framework for local authorities - 'Best Value' - is under review and the government intends to introduce a new framework to apply in 2009, following the Comprehensive Spending Review, which is considering the overall performance framework for public services. Climate change is set to move up the agenda as a result; government has committed to including an "appropriate focus on climate change".<sup>9</sup>

10. Other policy developments proposed or in train will also set requirements for local authorities that are relevant (see Figure 7).

<sup>9</sup> HM Government, *Climate Change the UK Programme 2006*

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**Figure 7: There are some policy developments proposed or in train that will set new requirements for local authorities**

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*Planning policy statement on climate change:* includes proposals for planning authorities to factor climate change into planning decisions on housing, economic development, transport and waste management. The consultation period ended on 8<sup>th</sup> March 2007.<sup>10</sup>

*Climate Change and Sustainable Energy Act 2006:* committed the government to produce a report, 12 months from commencement, on the ways in which local authorities can reduce the greenhouse gas emissions and alleviate fuel poverty, which local authorities will need to “have regard to” in exercising their functions.

*Energy Performance Commitment.* The proposed emissions trading scheme for non-energy intensive organisations would also cover some of the large local authorities. The consultation on the Energy Performance Commitment came to an end in Jan 2007. The Energy White paper due to be published by May will provide more details about Government proposals.

**It is acknowledged that local authorities could do more**

11. Although many local authorities have made high level commitments to climate change, surveys and research analysis suggests a mixed picture of performance, with few local authorities replicating the achievements of the best. The Local Government White Paper suggested that if all local authorities performed as well as the best, UK emissions would drop significantly.

12. Many local authorities have made high-level commitments to tackle climate change. The ‘Nottingham Declaration’, which local authorities sign as a pledge to ‘actively tackle climate change in their area and work with others to reduce emissions country-wide’, has attracted particular support (see Figure 8).

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**Figure 8: The Nottingham Declaration**

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As of March 2007 over 200 English local authorities had signed the declaration. The pledge was one of the outcomes of a national conference in October 2000 held by Nottingham Council, which gave its name to the pledge; Nottingham was also one of the first to sign it. A second version of the Declaration, launched in December 2005 includes a commitment to establishing a plan of action within two years of signing. In July 2006 the partnership that manages the Declaration<sup>11</sup> launched on-line guidance for implementing local authority strategies on climate change mitigation and adaptation.<sup>12</sup>

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<sup>10</sup> Consultation - planning policy statement: planning and climate change - supplement to planning policy statement 1, Department for Communities and Local Government <http://www.communities.gov.uk/index.asp?id=1505140>

<sup>11</sup> Nottingham City Council; the Carbon Trust; the Energy Saving Trust; the Local Government Association; the Improvement and Development Agency; the UK Climate Impacts Programme; ICLEI, the international association of local authorities; and the Environment Agency

<sup>12</sup> Nottingham Declaration Action Pack [http://www.energysavingtrust.org.uk/housingbuildings/localauthorities/NottinghamDeclaration/online\\_action\\_pack/](http://www.energysavingtrust.org.uk/housingbuildings/localauthorities/NottinghamDeclaration/online_action_pack/)

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13. Good practice councils are taking some innovative and successful action. The *Guardian* newspaper recently published an article identifying contenders for the 'top ten' councils leading the way on climate change issues, on the basis of consultation with the Energy Saving Trust, the Carbon Trust, the Local Government Association and the Improvement and Development Agency (see Figure 9).

**Figure 9: The Greater London Authority and Kirklees are seen as particular examples of good practice**

The *Guardian* singled out the Greater London Authority and Kirklees for particular praise in its article on the 'top ten' councils leading the way on climate change issues:<sup>13</sup>

The achievements that London received 'top marks' for include:

- setting statutory carbon dioxide emissions reduction targets for the city (the first city in Britain to do so)
- the success of the congestion charge in cutting car use and increasing cycling rates
- setting challenging targets for the use of renewable energy, with a statutory planning guidance calling for 10 percent of renewables in new major developments

While those of Kirklees include:

- cutting emissions on its own estate by more than its target of a 30 percent reduction from 1990 levels by 2005, and setting a target to cut emissions by a further 30 percent by 2020
- a domestic solar project that has put solar electric and thermal panels on 500 homes, and won an award for sustainable energy

Other contenders for the 'top ten' were: Shropshire county council; Aberdeen city council; Southampton city council; Nottingham city council; Woking borough council; Leicester city council; Cornwall county council; and Merton.<sup>14</sup>

14. There is, however, little comprehensive information on local authority performance on climate change. Surveys that have been carried out give some indications, and tend to indicate a mixed picture of action. A 2006 survey of finance directors in local authorities in England, carried out by the Local Government Analysis and Research organisation,<sup>15</sup> found that that most have financed some activities on energy efficiency, green travel and sustainable

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<sup>13</sup> The *Guardian*, *Leading by example*, Wednesday Jan 3, 2007

<sup>14</sup> The *Guardian* identified other 'bright sparks' as: High Peak (Derbyshire), Lewisham, Devon county, Bristol city, Hampshire county, Enfield, Oxford, Sutton, Wellingborough, Kent county, West Sussex, Derby city, Middlesbrough, Nottinghamshire, Sheffield, Birmingham, Bournemouth, Croydon and Barnsley.

<sup>15</sup> Local Government Analysis and Research, *Financing Local Futures: A survey of Sustainable Development Financing in Local Government*, October 2006

procurement, though less than half considered their local authority had funded projects specifically targeted at climate change (Figure 10). Less than 40 percent of respondents agreed that ‘the local authority factors in long-term environmental change, such as that caused by climate change, into financial decision making’.

**Figure 10: The results of a 2006 survey<sup>16</sup> of local authority finance directors**

Percentage of respondents who agreed their authority had financed the following initiatives	
Initiative	Percent
Energy Efficiency measures	93
Green travel projects	68
Fuel Poverty reduction measures	43
Sustainable Procurement	71
Climate Change	46
Sustainable Building Projects	69

*Source: Local Government Analysis and Research, Financing Local Futures: A survey of Sustainable Development Financing in Local Government*

15. A 2004 survey of local authorities, carried out by the Local Government Association, together with the Energy Saving Trust and the Improvement and Development Agency, paints a similar picture, with most carrying out activities such as operating or planning to operate combined heat and power stations, or buying electricity from renewable sources, but less than half setting actual targets for emissions reductions (further information on the results of this survey is included as Appendix 5).

16. In the light of the relative lack of data, Defra asked the Centre for Sustainable Energy (CSE)<sup>17</sup> to carry out interviews and discussions to obtain an estimate of current performance, to help inform the Climate Change Programme Review. Their research suggested that there is much more that most local authorities can do, classing the majority of local authority’s performance as weak or fair (see Figure 11).

<sup>16</sup> The survey received responses from 142 Finance Directors in England, a response rate of just under 37 percent

<sup>17</sup> Centre for Sustainable Energy with Impetus Consulting, Quantock energy and environment, *Local and regional action to cut carbon: an appraisal of the scope for further CO<sub>2</sub> emission reductions from local and regional activity*, July 2005

**Figure 11: The Centre for Sustainable Energy’s assessment of local authority performance on climate change**

	Performance Quality (Percentage of local authorities judged to be achieving each rating)			
	Weak	Fair	Good	Excellent <sup>18</sup>
Domestic energy efficiency	46	45	7	2
Business energy efficiency	60	35	5	0
Public sector energy efficiency	30	45	20	5
Renewables and low carbon technologies	55	40	4	1
Transport (own use)	35	55	7	3
Transport (in the local area)	25	55	15	5

Note: Due to the lack of central data on local authority performance on climate change, this assessment should be seen as giving an indicative picture only.<sup>19</sup>

Source: Centre for Sustainable Energy, *Local and Regional Action to Cut Carbon, July 2005*

17. There is therefore the potential for emissions savings through encouraging the less active local authorities to take a greater role. Indeed, the Local Government White Paper suggested such emissions savings could be substantial - that if all local authorities performed as well as the best, UK emissions would drop “significantly”.<sup>20</sup> As a first step, CSE’s 2005 research, carried out for the Climate Change Programme Review, suggested that improvements to the performance framework could lead local authorities to reduce emissions by between 0.3 and 2MtC beyond business as usual in 2010.<sup>21</sup>

<sup>18</sup> More information on the Centre for Sustainable Energy’s ratings and ‘local and regional carbon management matrix’ can be found in their July 2005 paper: *Local and Regional Action to Cut Carbon*, [www.cse.org.uk/pdf/pub1066.pdf](http://www.cse.org.uk/pdf/pub1066.pdf).

<sup>19</sup> The Centre for Sustainable Energy (CSE) based their findings on a number of sources including: literature reviews; interviews with local, regional and national stakeholders; and the project team’s own experience and expertise. However, CSE acknowledge that as such it was not a scientific or academically robust exercise.

<sup>20</sup> Department for Communities and Local Government, *Strong and Prosperous communities - The Local Government White Paper*, October 2006

<sup>21</sup> Centre for Sustainable Energy with Impetus Consulting, Quantock energy and environment, *Local and regional action to cut carbon: an appraisal of the scope for further CO<sub>2</sub> emission reductions from local and regional activity*, July 2005

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**There is also some help to support adaptation to climate change**

The Climate Change Programme adopted some of these measures, which are expected to deliver 0.2MtC saving in 2010<sup>22</sup>; a relatively small saving in the context of UK emissions as a whole (less than 0.2 per cent of expected emissions in 2010) but a saving nonetheless.

18. Climate change issues are not restricted to reducing climate change emissions; a certain degree of climate change is inevitable and hence adapting to the consequences of climate change will also be necessary. Climate change is expected to bring milder and wetter winters, warmer and drier summers and an increased number of extreme weather events in the UK. Central government support to local authorities on climate change includes some help for local authorities to adapt to the likely effects of climate change. Among the effects that local authorities will face include an increased risk of the incidence of flooding and higher levels of heat stress for travellers on the public transport system. Local authorities can help reduce the adverse effects of these changes for their local communities, by for example restricting development on floodplains or strengthening flood defences, and improving cooling systems for public transport.

19. The main way central government supports local authorities to adapt to the effects of climate change is through the UK Climate Change Impacts Programme (UK CIP). UKCIP helps organisations, including local authorities, assess their vulnerability to climate change (Figure 12). Established in 1997, it is based at the University of Oxford and funded by Defra. There are no requirements or expectations for local authorities on adaptation, though this is under consideration as part of the review of Best Value and the Comprehensive Performance Assessment.

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**Figure 12: UK Climate Change Impacts Programme**

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The UK Climate Change Impacts Programme (UKCIP) coordinates research on how climate change will have an impact at regional and national levels.

Between 1999 and 2004 UKCIP carried out scoping studies of the impacts of climate change in the nine English regions and in Scotland, Wales and Northern Ireland, the results of which are available at [http://www.ukcip.org.uk/climate\\_impacts/location.asp](http://www.ukcip.org.uk/climate_impacts/location.asp)

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<sup>22</sup> The expected emissions savings from measures to promote best practice in local authorities in the 2006 Climate Change Programme are less than that expected from the scenarios proposed by Centre for Sustainable Energy for a number of reasons; the difference is partly due to efforts to remove double counting with other programmes.

## Appendix 1: Climate Change Programme 2006 - the local authority role

Policy <sup>23</sup>	Extent of local authority involvement	About	Expected greenhouse gas emissions savings in 2010 from the policy as a whole (MtCe) <sup>24</sup>
Additional voluntary effort from local authorities	Key	The Climate Change Programme includes a basket of measures designed to encourage more local authorities to reach the level of the best in tackling climate change. The measures include a £4m best practice programme.	0.2
Waste policy		Biodegradable waste in landfill contributes to methane emissions. Local authorities have a key role to play in reducing the amount of biodegradable waste in landfill through creating alternative waste management routes, such as encouraging waste reduction, composting, or energy recovery. National government sets targets for the amount of biodegradable waste going to landfill for each local authority in order to achieve the requirements of the European Landfill Directive.	2.9
Building Regulations		Local authorities are responsible for enforcing building regulations, which include specifications covering the conservation of fuel and power in domestic and non-domestic buildings. In England and Wales, existing regulations were tightened in April 2005 to incorporate provisions required under the EU Energy Performance in Buildings Directive, with separate legislation implemented in Scotland and Northern Ireland in 2006.	2.1

<sup>23</sup> All policies in the Climate Change Programme 2006 are included where local authority involvement is significant and/or the expected emissions reductions are greater than 0.2MtC in 2010.

<sup>24</sup> Numbers taken from *Synthesis of Climate Change Evaluations and Appraisals*, Department for Environment, Food and Rural Affairs, April 2006 and Jan 2007  
<http://www.defra.gov.uk/environment/climatechange/uk/ukccp/index.htm>



Policy <sup>23</sup>	Extent of local authority involvement	About	Expected greenhouse gas emissions savings in 2010 from the policy as a whole (MtCe) <sup>24</sup>
EEC and decent homes	Key Facilitating/enabling	Under the decent homes standard, local authorities and housing associations are required to maintain social housing to meet certain criteria. One of these is that houses should provide a sufficient degree of thermal comfort, with efficient and effective insulation. Some local authorities work with energy suppliers to finance any improvements necessary; under the energy efficiency commitment, energy suppliers are required to achieve targets for the promotion of improvements in household energy efficiency. They do this by assisting domestic consumers to take up energy efficiency measures. Some 44 local authorities are working with British Gas to encourage the take-up of energy efficiency measures by offering customers a discount of up to £100 on their Council Tax bills after subsidised cavity wall insulation is installed in their homes. Local authorities can also support the wider take up of energy efficiency measures promoted by energy suppliers, for example by providing information and advice through energy advice centres.	2.1
Revolving public loan fund for the public (Salix Finance Ltd)	Local authorities are one target audience	This fund provides interest-free loans to public sector organisations to fund energy efficiency projects. The fund proposal was initially piloted with local authorities. Around half of its efforts in the future are to be targeted at local authorities.	0.1
Energy Saving Trust		The EST undertakes a range of activities on energy efficiency. Including providing advice to local authorities.	1.1 <sup>25</sup>
Carbon Trust		The Carbon Trust's aim is to help business and the public sector (including local authorities) reduce their carbon emissions and to encourage the development of a low carbon economy.	1.2

<sup>25</sup> The evaluation of the Climate Change Programme did not include these savings from the Energy Saving Trust to avoid double counting; the efforts of the Energy Saving Trust will be included in the assessments of other policies such as the Energy Efficiency Commitment.

Policy <sup>23</sup>	Extent of local authority involvement	About	Expected greenhouse gas emissions savings in 2010 from the policy as a whole (MtCe) <sup>24</sup>
Bio-energy Capital Grants Scheme		The scheme provides capital grants to cover up to 40 percent of the additional costs of installing biomass fuelled heats and combined heat and power units compared to fossil fuel alternatives. The scheme will support the commercial, industrial and community sectors, including local authorities and schools in England	0.1
Renewables Obligation	Facilitating/enabling	The Renewables Obligation requires all energy suppliers to source a percentage of their electricity from renewable sources. Local authorities have an indirect role to play because of their planning responsibilities, necessary to get renewable energy sources up and running.	2.5
Warm front and fuel poverty		Local authorities can help promote take up of fuel poverty schemes, which provide grants for insulation and heating measures to vulnerable households. In England it is Warm Front, but similar schemes exist in Scotland, Wales and Northern Ireland. The primary aim is to help provide energy efficiency measures to the most vulnerable households and, by doing so, alleviate fuel poverty. A secondary benefit of this is a greenhouse gas emissions reduction from the associated improvements.	0.4

## Appendix 2: Central government funds available to local government

Type of fund	Title	About	Scale of local authority involvement	Allocated funds <sup>26</sup>	
				In 2006-07 to local authorities	In total, to all organisations, over the lifetime of the measure
Targeted solely at local authorities	Sustainable Travel Towns	A project that aims to demonstrate the effect that a sustained package of measures to encourage citizens to make more sustainable transport choices can make, when coupled with infrastructure improvements.	Three LAs are taking part <sup>27</sup>	£2m	£10m over 5 years
	Cycling Demonstration Towns Project	A project delivered by Cycling England, a body supported by central government, which aims to deliver a step change in cycling levels in the selected towns, through infrastructure improvements as well as a range of 'soft' measures to encourage people to cycle	Six LAs are taking part <sup>28</sup>	Up to £3m <sup>29</sup>	Up to £8.4m between 2005 and 2008
Open to a range of organisations including local authorities	Low Carbon Buildings Programme	A programme that provides grants for microgeneration technologies for householders, community organisations, schools, the public sector and businesses. Phase 1 run by the Energy Saving Trust, is available to all participants; Phase 2 (£50m), run by the Buildings Research Establishment, provides grants for microgeneration technologies for public/third sector projects only.	Not yet known. LAs have free reign to decide whether to apply for grants	£0.9m	Phase 1: £36m <sup>30</sup> runs between 2006-09. Phase 2: £50m is aiming to allocate most of its funds by March

<sup>26</sup> Figures provided by the Department for Environment Food and Rural Affairs and not independently verified by the NAO

<sup>27</sup> Darlington, Peterborough and Worcester.

<sup>28</sup> Aylesbury; Brighton & Hove; Darlington; Derby; Exeter; Lancaster with Morecambe.

<sup>29</sup> Cycling England will contribute up to £500,000 per year, per town for three years, matched by equal or greater funding from the local authority and its partners. <http://www.cyclingengland.co.uk/>

<sup>30</sup> This figure includes the additional £6m announced in the 2007 Budget.

Type of fund	Title	About	Scale of local authority involvement	Allocated funds <sup>26</sup>	
				In 2006-07 to local authorities	In total, to all organisations, over the lifetime of the measure
					08
Open to a range of organisations including local authorities	Community Energy Programme	The Community Energy Programme (CEP) was launched in January 2002 to help support the refurbishment and development of community heating throughout the UK, primarily in the form of combined heat and power (CHP). Local authorities could access the fund. The programme will close as planned on 31 March 2007	Around 75 authorities have received financial support through the programme	£10m	A total of £25m was to be distributed between 2002 and 2007
	Revolving loan fund for the public sector (Salix Finance Ltd)	Salix Finance Ltd. is a not-for-profit company set up by the Carbon Trust in 2004, which uses central government funding to provide interest free loans to public sector organisations, including local authorities, to fund energy efficiency projects. Salix's funding is matched by the organisation.	Around 45 authorities are involved	£10m	The fund is a £24m revolving loan; the loans to public sector bodies are repaid from energy efficiency savings.
	Bio-energy Capital Grants Scheme	In December 2006 Defra launched the third round of the Bio-energy Capital Grants scheme, which will support the installation of biomass-fuelled heat and combined heat and power projects in the industrial, commercial and community sectors, including local authorities and schools in England. AEA Technology are administering the bids on Defra's behalf. <sup>31</sup>	Not yet known	£2.5m	At least £7.5m to March 2008

<sup>31</sup> <http://www.defra.gov.uk/news/2006/061229a.htm>

Type of fund	Title	About	Scale of local authority involvement	Allocated funds <sup>26</sup>	
				In 2006-07 to local authorities	In total, to all organisations, over the lifetime of the measure
Open to a range of organisations including local authorities	Climate Challenge Communications Fund	This fund was set up to provide financial support for communications projects seeking to achieve positive changes in public attitudes about climate change. The fund was launched in June 2006. A second round of projects may be funded in 2007.	16 of the 83 successful projects to date are run by local authorities and many more with local authorities as partners	£1.2m	£9m to be distributed over two years. Those projects run by or with local authorities have funding of around £2.2m
	Partnership for Renewables (Carbon Trust Enterprises Ltd)	The Carbon Trust's new business - a limited company that works in partnership with public sector bodies to develop and manage onsite renewable energy projects on their land. <sup>32</sup> Government is providing development capital of £10m but the fund will also lever in private sector investment - targeting up to £500m.	It is currently anticipated that up to 50 out of 150 projects will be with local authorities	n/a	Government will provide development capital of £10m to be distributed equally over 2007-08 and 2008-09

<sup>32</sup> For more information see <http://www.carbontrust.co.uk/commercial/enterprises/pfr.htm>

## Appendix 3: Best practice programmes and organisations

Title	About	Scale of Local Authority involvement
'Beacon' Best Practice Support Programme	In 2004-05 sustainable energy was a theme of the Beacon awards, a scheme that exists to highlight good practice in local authorities. A new best practice programme is building on the good practice found through these awards to produce a benchmark for action on climate change and sustainable energy. The next round of the Beacon awards will also include a theme on 'Tackling Climate Change'. The Climate Change Programme Review announced a further £4m of funding for a best practice programme building on the work of the Beacon councils.	The programme is piloting the format of the toolkit with 21 councils, before issuing it for general release.
Environment Management System	With some initial funding and support from Defra, Kirklees local authority has established a national network of regional Environment Management System (EMS) groups. The aim of the groups is to share good practice, knowledge, skills and tools. Each group is a mixture of local councils and other types of public sector bodies such as the Forestry Commission and Transport for London.	There are currently 80 members in these groups (mostly, though not all, local authorities)
Carbon Trust	Since 2003 the Carbon Trust has developed a Carbon Management product, which helps local authorities reduce carbon emissions in areas such as buildings, street lighting and landfill sites. The emphasis is on giving practical support, including helping identify opportunities for potential carbon savings, developing an emissions reduction plan, providing software for data analysis, workshops and training. The site survey programme also delivers services to local authorities and schools.	The Carbon Trust will work with 45 local authorities in 2007-08, bringing the total number of local authorities helped to 143.
Energy Saving Trust	The Energy Saving Trust offers a range of advice, support and information to local authorities, as part of its 'practical help' programme which provides free online guidance and consultancy, and is primarily targeted at local authorities. Until October 2006 the EST ran a local energy support programme which provided face to face support to local authorities though this programme has since closed. The Energy Saving Trust also runs the Innovation Programme, and the Low Carbon Buildings Programme, and supports the Nottingham Declaration.	The inquiry service in the practical help programme received around 3000 inquiries so far in 2006. The local energy support programme had provided support to all local authorities in Scotland and around half in the rest of the UK.
The Local Government Association Improvement and Development Agency	The Local Government Association (LGA) is the 'national voice' for local government. Among other objectives it aims to secure financial arrangements that enable local government effectively to exercise its powers and duties and to raise awareness of the role and achievements of local authorities. The Improvement and Development Agency (IDeA) promotes best practice in local government and provides a support and challenge function to local authorities.	The LGA has established a Climate Change Commission to investigate and promote the role of local authorities in tackling and adapting to climate change. IDeA also support and promote local authority action on climate change.

## Appendix 4: Targets and indicators for climate change

Target/indicator/requirement	About	How related to measuring performance on climate change	Mandatory or voluntary?
Comprehensive Performance Assessment	The Audit Commission assess the performance of all councils and the services they provide through the Comprehensive Performance Assessment process. This includes assessment against statutory indicators, three of which are linked to national targets.	There are no explicit targets on climate change. However, the indicators do measure some local authority activities that can impact emissions (namely the Energy efficiency of (local authority owned) housing stock; measures of waste management; passenger journeys on bus; and footpaths and rights of way easy to use by the public)	Mandatory
Home Energy Conservation Act	Local authorities with housing responsibilities have to prepare an energy conservation report on residential accommodation to central government under the Home Energy Conservation Act 1995.	The energy conservation report should identify practicable and cost-effective measures to significantly improve the energy efficiency of all residential accommodation in their area and report on progress made in implementing the measure.	Mandatory for all with housing responsibilities
Local Area Agreements	Local Area Agreements are delivery agreements between central government and the top tier of local government specifying agreed outcomes, supporting indicators and funding streams.	Local Area Agreements can include climate change and energy outcomes; these are included in the current LAA Guidance and associated Outcomes Framework.	Climate change targets are voluntary
Local performance indicators	Local performance indicators are voluntary indicators that a local council sets to reflect their own priorities and services.	A council can set climate change-related local performance indicators if it chooses.	Voluntary
Quality of life indicators	Introduced by the Audit Commission, these indicators cover economic, environmental and social well-being.	These indicators include measurements of carbon dioxide emissions by sector and per capita.	Voluntary
Eco-footprinting and carbon footprinting	Eco-footprinting is another tool local authorities can use to monitor the impact of their locality on the environment.	An eco-footprint provides a notional figure for the land area required to support an individual, a community or a nation's population at its present lifestyle.	Voluntary

## Appendix 5: 2004 survey of local authorities on climate change and sustainable energy

The results of a 2004 survey of local authorities indicate a mixed picture on performance. Most local authorities had undertaken some action to help mitigate climate change but less than half had set targets for emissions reductions.

Activity	Percentage undertaking the activity		Trend
	in 2002	in 2004	
Signed the Nottingham Declaration	23	26	+
Policies and plans in place to tackle the causes of climate change in the local area		65	
Climate change emissions strategy in place for own council activity		26	
Set a target for reduction of own emissions	34	42	+
Set a target for reduction of emissions in the local area	25	16	-
Operate or plan to operate combined heat and power plants	81	80	Little change
Clean fuel vehicles or low carbon vehicles for own use		65	
Buy more than three percent of electricity from renewable sources	55	71	+
Energy efficiency measures incorporated into management of housing stock		89	

### Notes:

The figure gives an illustrative picture of the results of the survey, but does not include all the information collected. The complete results are available from <http://www.lga.gov.uk/Publication.asp?ccat=1066&id=SXEAEED-A7825588>.

Blank spaces indicate that the data was not collected.

*Source: Sustainable Energy and Climate Change: a survey of local authorities, Local Government Association, Energy Saving Trust and the Improvement and Development Agency.*





