



## CHAPTER 9

# Devolved Administrations, English Regions and Local Authorities

9.1 Some matters which relate to energy policy in Scotland, Wales and Northern Ireland are the responsibility of the Devolved Administrations, and therefore decisions on these matters are made in the light of each administration's particular circumstances. For example:

- the Devolved Administrations each have their own programmes on fuel poverty;
- the Renewables Obligation is the UK government's main policy measure for supporting the development of renewable electricity generation in the UK. As well as the Renewables Obligation Order for England and Wales, separate Orders have been made for Scotland and Northern Ireland; and
- the Devolved Administrations have an important role to play in respect of energy efficiency.

9.2 Following the recent elections in Scotland, Wales and Northern Ireland, new administrations have been or will shortly be formed. In line with the devolution settlements in Scotland, Wales and Northern Ireland, all proposals in this White Paper which touch on devolved matters will be progressed in accordance with the principles set out in the Memorandum of Understanding. It is expected that the Devolved Administrations will want to consider in due course how to take forward their responsibilities that are relevant to energy policy.

9.3 The English regions and local authorities also have a range of powers to assist the delivery of energy policy and an important role to play through taking local level decisions and deploying resources within their communities. This chapter explains how they are playing this role.

## English regions

9.4 The Energy White Paper<sup>315</sup> set out the importance of the work of the English regions in the delivery of our energy policy goals. Since 2003, partnerships of Regional Development Agencies (RDAs), Regional Assemblies and Government Offices have all set regional energy priorities and taken forward innovative projects to deliver national energy policy.

9.5 The RDAs have an important role to play in tackling climate change and contributing to other energy policy goals, within the context of their regional economic strategies. RDAs are well placed to contribute by:

- maximising UK business opportunities that arise through sector and supply chain support, and promoting business energy and resource efficiency;
- supporting the deployment of essential energy infrastructure and skills at a local and regional level; and,
- supporting low carbon innovation, through support for research and demonstration of new and emerging energy technologies.

### BOX 9.1 RDA DELIVERY

Since 2003, RDAs and the regional energy agencies they support, have worked with key regional partners to:

- commit £59 million to supporting the development, demonstration and commercialisation of new energy technologies;
- generate £52 million in income for UK companies by helping them to identify and exploit new supply chain opportunities for supporting energy sector companies;
- offer advice to 11,000 small businesses on energy efficiency; and
- support 220 new business and housing developments to set standards for energy efficiency and carbon emissions significantly above national building regulations.

9.6 The Government recognises that RDAs are the leading strategic economic and sustainable development body in the regions, and within this context will contribute to the Government's energy objectives. Working closely with the Government Offices and Regional Assemblies, RDAs will have the key role in taking forward the implementation of this White Paper at regional level.

9.7 As part of their role in delivering the priorities identified in this White Paper at a regional level, RDAs have committed to:

- set carbon reduction targets in their corporate plans; publish an estimate of the carbon they expect to save from their policies and programmes by 2010 and 2020; and update these estimates at least annually as they develop new programmes;

315 DTI: *Energy White Paper: our energy future – creating a low carbon economy*, February 2003  
<http://www.dti.gov.uk/energy/policy-strategy/energy-white-paper-2003/page21223.html>



- set out, by December 2007, which energy technologies they intend to prioritise and support over the next 10 years. This will give a clear steer to companies and potential investors, and encourage partnership working between the RDAs and research and innovation organisations, including the new Energy Technologies Institute<sup>316</sup>;
- identify energy supply chain opportunities and set out priorities for promotion and support (by December 2007);
- support small and medium-sized businesses on energy efficiency, piloting in 2007-08 a streamlined business resource efficiency advice service through Business Link (also co-ordinated through the Business Support Simplification Programme) which will include working with a range of business support providers including the Carbon Trust and other bodies through the Business Resource Efficiency and Waste Programme (BREW);
- work with Sector Skills Councils and Regional Skill Partnerships to develop programmes to support the development of key energy skills, including:
  - engineering, project management and heavy construction;
  - operation and maintenance;
  - key suppliers and service providers to the energy sector;
  - areas necessary to facilitate the move towards zero carbon development including sustainable construction, the installation of energy efficiency and microgeneration technologies, and the project management/legal skills necessary for the establishment of Energy Services Companies (ESCOs);
- ensure all regeneration projects (from December 2007) and other developments for which RDAs provide funding or land meet carbon emissions standards significantly in advance of those required by Building Regulations (e.g. at least 10 BRE Environmental Assessment Method (BREEAM) carbon credits). This includes commercial developments not covered by the Code for Sustainable Homes; and
- play a key role in advocacy for the development of critical energy infrastructure and provide support through monitoring and advice on strategic proposals.

9.8 With their detailed knowledge of existing and likely locations for new development in the regions, RDAs are ideally placed to identify opportunities to exploit the sustainable use of heat. They are key consultees in the revised guidance on CHP for developers considering proposals for new large-scale power stations under section 36 of the Electricity Act. New power station developers will be signposted to seek advice from RDAs on potential customers for heat when considering the viability of heat recovery in new power plants.

9.9 RDAs are also well placed to pilot focussed approaches to financing and managing the sustainable production and delivery of energy, for example, through local ESCOs.

9.10 Where appropriate, RDAs will develop Community Energy Solutions (CES) companies like those currently being piloted in the North East and Yorkshire and Humber. These develop and deliver projects that bring together gas network extensions, energy efficiency installations, advice on benefits and small-scale renewables in communities with a high incidence of fuel poverty.

316 DTI: *Energy Technologies Institute prospectus*, September 2006 <http://www.dti.gov.uk/files/file34010.pdf>

## BOX 9.2 COMMUNITY ENERGY SOLUTIONS

- One NorthEast and Yorkshire Forward have worked with the DTI to develop a number of community-based projects to tackle fuel poverty. The projects are being delivered through a Community Interest Company (CIC), which enables CES to generate profits that are reinvested back into the programme.
- Using initial funding of £4 million plus private and public sector contributions, by 2009 CES will assist a minimum of 4,000 households in twenty communities through gas network extensions and the installation of renewables. As well as bringing fuel poverty, energy efficiency, regeneration and public health benefits, the programmes will provide local economic benefits by, for example, developing economically viable supply chains for renewables and generating training and employment opportunities.

## Local Authorities in England

9.11 Local authorities have a growing role to play in helping to meet our energy policy goals by leading carbon emissions reduction in their communities. The Energy Saving Trust works with local authorities to develop and implement sustainable energy strategies, through dedicated specialist support and training, and a national web and telephone technical advice service.

9.12 The Carbon Reduction Commitment (CRC), as described in chapter 2, is a mandatory cap and trade emissions trading scheme for all UK organisations with annual electricity use in excess of 6,000MWh from mandatory half-hourly meters, therefore covering many large local authorities. The scheme will be an important enabling tool for the public sector to deliver its carbon reduction targets.

9.13 The Government is also working with England's core cities<sup>317</sup> (Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield) to develop a joint statement or declaration on climate change. This will build on the Nottingham Declaration<sup>318</sup>, which has now been signed by 200 local authorities and commits them to develop plans with their partners and local communities to progressively address the causes and the impacts of climate change and achieve a significant reduction of greenhouse gas emissions from their own authority's operations.

9.14 The Local Government White Paper 2006<sup>319</sup> set out proposals for a new Local Government Performance Framework, which will strengthen this role to help meet the commitments made in the 2006 Climate Change Programme<sup>320</sup>. This framework will cover climate change, while the 2007 Comprehensive Spending Review will make decisions on national outcomes, indicators and national targets.

317 See <http://www.corecities.com>

318 See <http://www.est.org.uk/housingbuildings/localauthorities/NottinghamDeclaration>

319 DCLG: *Strong and prosperous communities: the Local Government White Paper*, Annex F on tackling climate change, October 2006 [http://www.communities.gov.uk/pub/99/StrongandProsperousCommunitiestheLocalGovernmentWhitePaperVol2\\_id1504099.pdf](http://www.communities.gov.uk/pub/99/StrongandProsperousCommunitiestheLocalGovernmentWhitePaperVol2_id1504099.pdf)

320 HM Government: *Climate change, The UK programme 2006*, March 2006 <http://www.defra.gov.uk/environment/climatechange/uk/ukccp/index.htm>



9.15 To help local authorities tackle climate change the seven 'sustainable energy' beacon authorities<sup>321</sup> have developed self assessment tools to help councils evaluate their own performance and provide guidance for improvement. Twenty-one councils took part in a pilot programme to test the format and adjustments will be made on the basis of the findings to the programme before it is launched nationally later this year.

9.16 Ministers announced on 20 March 2007 a new 'Tackling Climate Change' theme for the 9th round of the Beacon Scheme<sup>322</sup>. The scheme disseminates best practice in service delivery by granting beacon status to local authorities that demonstrate excellence and innovation within a specific theme. The new climate change theme covers reducing greenhouse gas impacts and adapting to the impact of climate change. Local authorities can apply to achieve beacon status on this theme until 29 June 2007.

9.17 Chapter 3 sets out the role that local and regional government has to play in facilitating the development and uptake of distributed energy, through their knowledge of local opportunities, and their responsibilities for planning and regeneration.

### **Arrangements in London – a Climate Change Duty for the Greater London Authority (GLA)**

9.18 As a large metropolitan area and a major energy consumer, London plays an active role in tackling climate change issues. The Government has introduced, in the new GLA Bill currently before Parliament, a duty on the Mayor of London and the Assembly to address climate change, including both mitigation and adaptation policies. This will ensure that the GLA continues to take action beyond the term of a particular Mayor or administration.

9.19 The Mayor will prepare a climate change mitigation and energy strategy that must take into account and assist with the implementation of national Government policies on energy and climate change mitigation. The strategy will contain the Mayor's proposals relating to minimising carbon dioxide emissions from surface transport and the use of energy more broadly; supporting technological innovation; and promoting the efficient production and use of energy. It will also contain information about fuel poverty in Greater London. In preparing the strategy, the Mayor must have regard both to guidance produced by the Secretary of State and to national policies on climate change mitigation, security of supply, competitive energy markets and fuel poverty.

### **Action taken by the GLA to address climate change mitigation and energy**

9.20 The Mayor has developed a Climate Change Action Plan for London<sup>323</sup>. This plan focuses on how London can deliver the most significant carbon savings at lowest cost. The plan is centred on four programmes: Green Homes, Green Organisations, Green Energy and Green Transport, and also includes actions for the GLA family (GLA, TfL, Metropolitan Police Authority, the London Development Agency and the London Fire and Emergency Planning Authority).

321 See <http://www.idea.gov.uk/idk/core/page.do?pageld=5747988>

322 See <http://beacons.idea.gov.uk/idk/core/page.do?pageld=1>

323 Mayor of London, *Action today to protect tomorrow*, February 2007  
<http://www.london.gov.uk/mayor/environment/climate-change/ccap/index.jsp>

9.21 The London Energy Partnership, set up by the Mayor to respond to the challenges of climate change, security of energy supply and fuel poverty, has recently published the following reports on its website<sup>324</sup>: *Towards zero carbon development – supportive information for boroughs*; *Making ESCOs work*; *Skills for a low carbon London*; and *London carbon scenarios to 2026*.

9.22 The Mayor launched the London Climate Change Agency (LCCA) in 2005 to action projects in areas with a strong bearing on climate change, especially energy, transport, waste and water. It has implemented renewable energy projects at the London Transport Museum, Palestra and City Hall, as well as setting-up a joint venture energy services company – London ESCO<sup>325</sup>. The LCCA and the London ESCO will deliver major combined cooling, heat and power (CCHP) projects across London, and implement both large and small scale renewable energy projects.

9.23 The London Hydrogen Partnership<sup>326</sup> was launched in April 2002. The Partnership provides a platform for funding bids and the initiation of projects to create conditions where these technologies can thrive.

9.24 The GLA, LDA and Defra are funding the prototype phase of a Green Homes 'Concierge Service' for London. This will trial, in 40 London homes, the provision of auditing, commissioning and installation support for owner occupiers seeking to improve the energy efficiency and renewable energy generation of their homes.

## **DEVOLVED ADMINISTRATIONS, ENGLISH REGIONS AND LOCAL AUTHORITIES**

### **SUMMARY OF MEASURES**

**Following the recent elections in Scotland, Wales and Northern Ireland, new administrations have been or will shortly be formed. It is expected that the Devolved Administrations will:**

- **want to consider in due course how to take forward their responsibilities that are relevant to energy policy.**

**The RDAs in England will:**

- **continue to set regional energy priorities and take forward initiatives to support national energy policy, for example by committing to publish carbon saving projections from regional measures and prioritise support for energy technologies.**

**Local authorities in England will:**

- **have a strengthened role to play in tackling climate change through measures in the new Local Government Performance Framework; and be able to use the new self-assessment tools to evaluate their own performance and provide guidance for improvement on tackling climate change.**

**The GLA will:**

- **formulate both mitigation and adaptation policies to address climate change in London under requirements in the new GLA Bill; and prepare a climate change mitigation and energy strategy.**

324 See <http://www.lep.org.uk>

325 See <http://www.londonesco.co.uk>

326 See <http://www.lhp.org.uk>