



**Friends of
the Earth**

Briefing

Get Serious About CO₂ – 'How to cut carbon locally – and how to pay for it'

Friends of the Earth's Get Serious About CO₂ campaign is calling for UK councils to commit to cutting emissions in their areas by at least 40 per cent by 2020, from a baseline of 2005. We recognise that some local authorities might need more information before they feel ready to adopt a 40 per cent target. They might also have concerns about how these measures can be funded, in today's tight financial circumstances.

Friends of the Earth commissioned two pieces of research to help answer these questions. The first, *Funding Action on Climate Change*, by Tony Travers of the London School of Economics, looks at how to generate extra funding for action on climate change. The second, 'Case studies of successful local action to cut carbon', by planning and engineering consultants Arup outlines inspiring examples of local carbon-cutting initiatives – and shows how your council could do the same.

These are being published together with the title '**How to cut carbon locally – and how to pay for it** how to get serious about climate change'. This briefing gives an overview of the research and suggests how you might use it.

1 OVERVIEW OF THE RESEARCH

A. Funding action on climate change

Professor Travers investigated two related questions.

- What financial mechanisms can local authorities currently use to pay for low-carbon measures?
- What changes in national rules are needed so they can access the necessary funds?

In his report he outlines the existing and future pressures on local government expenditure and describes the existing policy framework for local authorities on carbon reduction.

Conclusions

a) Action by local authorities

- Local authorities already have powers to increase business rates for specific purposes, and they could use this to fund, say, low-carbon transport. They could redirect existing transport funding into low-carbon modes; and they already have some powers to apply local charges, including road-pricing.

- Local authorities could also, singly or collectively, provide green bonds or even green mortgages to generate local capital, and to encourage a greater sense of local identification.

b) Action by government

- More could be done to secure carbon savings from existing capital programmes through the Private Finance Initiative credits and transport capital grants.
- The Government could make it easier for local authorities to impose new charges and taxes that fund, or create incentives for, carbon cutting.
- The Government could increase local financial powers by, for example, allowing councils to vary business rates to encourage carbon savings by businesses.
- The Treasury could encourage greater “prudential” borrowing and investment in carbon savings by excluding interest payments on this investment from spending totals for rate-capping purposes.
- The Treasury could allow Tax Increment Finance, whereby the tax from rising property values caused by development is invested locally. Greater use could be made of Section 106 agreements and Community Infrastructure Levies to fund local schemes.

B. Case studies of successful local action to cut carbon

It is vital that people start to see how cutting emissions could change their area, and to provide practical examples of what can be done. There is a growing body of good practice, across the UK and worldwide. But it is still difficult to find detailed case studies that cover a range of key policy areas in one place.

Arup - a leading engineering and design consultancy that has advised local authorities on climate action plans - has also been involved in many of the projects mentioned here. They emphasise that most of these examples could be replicated in most local authority areas.

The chosen case studies are as follows:

- Kirklees Warm Zone – is the most successful and comprehensive home insulation programme of any local authority in the UK. Kirklees is the only council that offers all of its residents free home insulation (by 2010).
- Houston Weatherization Assistance Programme Pilot – an innovative example from the USA of a partnership between a private sector electricity utility and a local authority to insulate homes of low income owner-occupiers.
- Barkantine CHP – a successful CHP system to a mix of domestic and public-sector consumers, that also demonstrates a successful partnership between a private energy utility and a local authority
- London Transport Museum and Queen Victoria Market (Melbourne) – from opposite sides of the world - two examples of the successful installation of photo-voltaics on a heritage building, demonstrating the technical feasibility for the large number of UK local authorities who have grade listed buildings within their jurisdiction.
- Southampton District Energy Scheme - the largest commercially developed district energy scheme in the UK and a pioneer of geothermal energy

- Aberdeen Heat and Power – another successful CHP programme, that has also incubated a local job creation and training programme
- Gigha Windmills – a truly community based renewable energy project, where the financial gains from renewable energy are being used to achieve wider local aims
- The London Plan renewable energy targets – the UK pioneer (along with Merton Borough Council) of using planning powers to drive greater installation of renewable energy and CHP supply in new developments
- Brighton Buses – an award winning transport programme that has made Brighton, along with London, one of the few authorities in the UK to achieve a modal shift away from car usage to public transport, walking and cycling
- Darlington Town – the first of the Sustainable Travel Towns to publish its results, demonstrating important lessons for other local authorities particularly in relation to Individualised Travel Marketing, which helps people cut their car use by providing personalised information on alternatives, such as bus timetables tailored for the journeys they make.
- London Hybrid Bus Programme – pioneered hybrid bus usage in the UK and given the size of London's bus fleet, especially important as what happens in the capital to a large extent determines the UK bus market.

While this report focuses on examples outside the local authority estate, we recognise that in many cases large emissions cuts can be achieved from measures on local authority and other non-domestic buildings. The C40 climate cities website has many studies of such action, e.g. at http://www.c40cities.org/bestpractices/buildings/berlin_efficiency.jsp

2 HOW YOU COULD USE THE REPORT

We envisage that local groups might use this report in the course of persuading their local authorities that significant local cuts in CO₂ can be achieved, but it might also be used to encourage and inspire local community organisations and activists to join the campaign by providing a more practical vision of what can be done.

You could:

- Give it to the council if they want to know how to fund action on climate change, or are looking for best practice.
- Use examples from the report in press releases or letters to the press.

Or if you have more time

- Include key points in a Powerpoint presentation or talk to the council
- Use it as the basis for more detailed discussions.

We are creating a menu of Powerpoint slides and will include bits of this research in them.

The report is particularly useful in answering questions about finances and working with partners. You can use it to show how projects get financed, how local authorities have worked with others to secure investment, what projects are likely to pay for themselves reasonably quickly (but remember that the economies of local renewable energy projects will change for the better, when Feed-In Tariffs come in from April 2010. We'll give you more information on what this means

nearer the time). The Travers research will probably be of interest to local authority officers and is more for background use.

It also **illustrates the wider benefits** that projects can have – jobs and training, reduced fuel bills and hence reduced fuel poverty, reduced air pollution. This could help persuade councillors but could also be useful in persuading unions, health organisations and community groups to support your campaign.

While through these case studies we emphasise what local authorities can already do with existing funding and powers, we also acknowledge that they still face many barriers and disincentives, and as part of the Get Serious About CO2 campaign we will aim to tackle these in order to make local action easier. It might be helpful to mention to your council that we are also campaigning to:

- Ensure strong planning guidance on climate change and renewable energy in particular.
- Secure good rates of Feed-In Tariffs that make local renewable installations cost-effective for householders, communities, and local authorities.
- Ensure that local authorities can access the revenue and capital funding, directly or indirectly as appropriate, to fund the scale and speed of action that is necessary.

It shows local authorities that we are aware of the problems of financing action to cut carbon emissions locally, and are calling for changes to address this problem. You could find out who are the most appropriate people to send this to – this could be the lead member for resources, head of finance or chief executive. Some key contacts will be listed in the dossier on your council.

As always, we would be very interested to hear about reactions to this research – such as whether councillors and officers think it is timely and useful - so please let us know.

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