

February 2011

Energy Bill



Friends of
the Earth

Briefing

The impact of abolishing National Indicator 186

Summary

One of the first acts of the new Government was to abolish the local government “National Performance Framework” (NPF). This included the **national indicator** set – 198 different performance indicators on areas from child protection to the environment.

Local strategic partnerships (LSPs), of which the local authority was usually the lead body, were required to set targets for at least 35 of the 198 national indicators as part of their Local Area Agreements, but could choose which. **Two-thirds of LSPs chose to sign up to national indicator 186 (NI186)**, setting themselves targets for reducing carbon emissions in their local area – making it the fifth most popular indicator of the 198.

The national indicators were new and barely two years old when abolished. There is evidence to suggest that despite this, the existence of NI 186 had started to transform local authority leadership on local carbon emissions. The Audit Commission noted in 2010 that NI 186 had “in many areas prompted concerted action for the first time”.

Abolishing NI 186 without a replacement, at a time of big cuts to local authority finance budgets, is likely to lead to the reversal of progress in all but the most committed local authorities. A new system of local carbon budgets is needed to ensure that all councils are both required and supported to deliver their fair contribution to the national carbon budgets.

About NI 186

Under the previous local government performance framework all Local Strategic Partnerships (LSPs) – the key players in a local area who deliver services, including the

council and bodies such as the police and the primary care trust – negotiated a Local Area Agreement (LAA) with central Government.

The local authority had the statutory duty to lead this process on behalf of the LSP. This required them to set targets against at least 35 performance indicators from a list of 198.

There were three indicators specifically focused on climate change:

- NI 185 – CO₂ reduction from local authority operations
- NI 186 – per capita CO₂ emissions in the LA area
- NI 188 – adapting to climate change

This briefing is concerned primarily with NI 186. **Two-thirds of LSPs chose to sign up to national indicator 186 (NI186)**, setting themselves targets for reducing carbon emissions in their local area – making it the fifth most popular indicator of the 198.

All targets were for the year 2011, to fit with the current timetable of the three-yearly local performance framework (2008/09 – 2010/11).

The ambition of the targets chosen varied considerably – from 1% (Bristol) to 15% (Kirklees) - with a median target of 10.6%. The targets, which were negotiated with central Government, assumed that national Government action would deliver a large percentage of the target cuts – so for example a council signing up to cut emissions by 15% in three years would just have been expected to have to deliver something like a 5-6% cut themselves¹.

The local performance framework was very new at the time of its abolition, only having been operating since 2008. It was too early to say definitively what its impact was, and what the impact of scrapping it so soon may be. Certainly there was room for more ambitious target-setting – only one-fifth of the targets set went beyond the emissions reductions that would have happened anyway as a result of national programmes. However research suggests that the very existence of the indicator elevated the profile of local leadership on carbon reduction.

Data to track performance against NI 186 was (and still is) provided centrally. Every year DECC's Local Authority Carbon Dioxide Figures disaggregate the UK's national emissions to local areas based on where energy is consumed.

Research

Two major pieces of research have been conducted into the effectiveness of NI 186:

- Audit Commission [AC]: *Lofty Ambitions* (2009)
- Impetus Consulting for Energy Efficiency Partnership for Homes [EEPH] *Local Area Agreements: progress towards local leadership on climate change mitigation* (2009)

¹ Source: anecdotal from conversation with stakeholder councils.

Both concluded that although NI 186 was very new and imperfect, it had **successfully raised the profile of emissions reductions in local authorities**, providing “additional momentum” (Audit Commission) and for local authorities to have “better understanding of local carbon emissions and greater confidence in their ability to reduce these” (EEPH):

“While NI 186 has weaknesses as a measure of performance, it has, in many areas, prompted concerted action for the first time.” (AC)

NI 186 was clearly a game-changer. The Audit Commission notes that “to varying degrees” councils had been taking action on climate change for years, but progress had been distinctly patchy, “often reliant upon the commitment of individual staff and hampered by a lack of knowledge or skills to make best use of the available opportunities”. NI 186 raised the profile of carbon reduction; EEPH notes that local authorities with NI 186 in their LAAs tended to have more engagement with senior management, more engagement with LSP members, and an increased focus on working in partnership and facilitating action by others. NI 186 allowed local authorities to begin dialogue with partners: “the introduction of the indicator has provided an opportunity to increase engagement of LSP members with the issue.” [EEPH]

But NI 186 was only a start. The Audit Commission stated that although the targets were a good start, they were only a first step – targets signed up to were only equivalent to 6 per cent of the level of effort needed nationally. Reductions, it said, would be needed in all areas to a higher level of ambition:

“The government will need to monitor, over time, the usefulness of NI 186 and whether the voluntary approach to the agreement of local targets on CO₂ emissions is delivering the level of progress required by national targets. Only a few areas have yet developed long-term strategies or plans for CO₂ emissions reductions of the scale required to achieve 2020 or 2050 targets”. (AC).

The current state of play

In October 2010 Eric Pickles, Secretary of State for Communities and Local Government, announced the abolition of the Local Area Agreements and the national indicator set¹. He reported that indicators were too much of a “burden” on councils. Instead of the national indicators, councils will now be required to submit a “single transparent list of every piece of data that central Government requires from councils”.

The good news is that the **data** on local authority area carbon emissions – which was previously used to track progress against NI186 - will continue to be provided centrally by DECC. In that regard it is not considered a ‘burden’ by DCLG. Data for other indicators has not fared so well: gone is the requirement for local authorities to report on climate change adaptation (the former NI 188) or the number of properties in fuel poverty (formerly NI 187). Emissions from the local authority’s own estate and operations (formerly NI 185) is “under review”.

But ending the national indicators is not just a matter of data and reporting. The main

benefit of NI 186 was to inspire **action** where it may not previously have existed, and as shown above, it was apparently beginning to be successful. Choosing to sign up to NI 186 meant councils were part of a framework that helped deliver a step-change in performance. Data alone is no substitute for action.

Conclusion

The abolition of NI 186 leaves a vacuum. It had quickly delivered a significant increase in engagement with the issue of area-wide carbon reduction within councils and their local partners. The existence of the statutory framework meant local carbon leadership became a priority for two-thirds of all councils, supported by Government.

Two-thirds of local areas signed up to targets; the targets themselves were in general rather underwhelming, but this is perhaps not totally surprising from a new indicator where targets were voluntary and, for many councils, adopting a target at all represented a significant step forward. There was clearly scope for more ambitious targets to be set in future rounds (ie 2011-14); as the Audit Commission noted the scale of the emissions reductions needed meant all local areas would need to be playing a full role in helping to meet national targets.

There is now **no statutory framework** for local carbon reduction. NI 186 has been scrapped with nothing coming into replace it. Action on climate change at the local level will now be left solely to those authorities that want and are able to prioritise action – a big challenge at a time of much tighter funding. Local authorities are already having to make very tough choices about the services and programmes they run.

Voluntary action will continue at the local level, but now will be left solely to those councils that want and are able to prioritise action. That is inappropriate and unacceptable given the scale of emissions cuts required nationally to meet carbon targets.

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¹ <http://www.communities.gov.uk/newsstories/newsroom/1740503>